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Scientific, Technical and Economic Committee for Fisheries (STECF)

Report of the Working Group on the review of national reports on Member States efforts to achieve balance between fleet capacity and fishing opportunities (SGBRE 10-01)

13-17 SEPTEMBER 2010, EDINBURGH

Edited by Hazel Curtis and John Anderson

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REVIEW OF NATIONAL REPORTS ON MEMBER STATES EFFORTS TO ACHIEVE BALANCE BETWEEN FLEET CAPACITY AND FISHING OPPORTUNITIES (SGBRE 10-01)

SUBGROUP ON BALANCE BETWEEN RESOURCES AND EXPLOITATION (SGBRE) OF THE SCIENTIFIC, TECHNICAL AND ECONOMIC COMMITTEE FOR FISHERIES (STECF)

STECF OPINION EXPRESSED DURING THE PLENARY MEETING (PLEN-10-03)

8-12 NOVEMBER 2010, BRUSSELS

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1. Introduction

STECF is requested to review the report of the SGBRE 10-01 meeting of September 13th -17th 2010 (Edinburgh), evaluate the findings and make any appropriate comments and recommendations.

2. Terms of reference

The working group was asked to:

1. Evaluate the Member States' reports on their efforts during 2009 to achieve a sustainable balance between fishing capacity and fishing opportunities and the Commission's summaries of MS reports, taking account in particular the following aspects:

   a) Compliance of MS reports with Art. 14 of Council Regulation No. 2371/2002 and Art. 12 of Commission Regulation No. 1438/2003

   b) Member States evaluation of the effect of fishing effort management measures on fishing capacity

   c) Member States' assessment of the balance between fishing capacity and fishing opportunities for their fishing fleets

   d) Where appropriate, Member States' application of the indicators proposed in the "Guidelines for an improved analysis of the balance between fleet capacity and fishing opportunities"

2. The Commission has produced a Draft updated version of the "Guidelines for an improved analysis of the balance between fleet capacity and fishing opportunities". The working group is asked to comment on this new Draft version of the guidelines, and where appropriate suggest alternative drafting, before the new Guidelines are finalised and forwarded to Member States for their application to the 2010 fleet reports.

3. Assess and comments on any progress evident in addressing the problem of availability of data for the calculation of the proposed indicators in MS reports.

4. Assess and comment on the appropriateness of any indicators used by MS for small scale coastal fleets and fisheries.

3. STECF comments and conclusions

STECF observations

STECF **endorses** the methods and working group report of SGBRE 10-01.

STECF notes the overall improvements made by MS in fulfilling their obligations under Article 14 of Council Regulation No 2371/2002 and Article 12 of Commission Regulation no 1438/2003 (see table 5.4 in working group report). STECF also notes that only six (compared to ten in the previous year) out of 22 MS did not estimate any of the balance indicators recommended in the Commission's guidelines to MS. Completion of balance indicators is not mandatory under current regulations however.

In particular, STECF notes that 13 of the 22 MS gave an overall opinion of whether the capacity of their fishing fleet was in balance with their fishing opportunities which is a big improvement on the previous year's reports. However, STECF notes that the benefits of MS completing these reports may not be realised unless MS make a clear statement about the degree of balance between their fleets and their fishing opportunities.

STECF notes the useful example of a suggested Commission summary of the Belgian MS report. If Commission summaries were all prepared according to this template the report to parliament would enable members to make easier comparisons between MS.

STECF questions once again the need for MS reports to be evaluated in an STECF working group. Since the STECF-SGBRE WG has devised a useful and straightforward scoring system for the legally required elements in MS reports, STECF suggests that at least the required elements of MS could be evaluated by staff at either JRC or DG Mare.

STECF suggests that the use of SGBRE experts' time could be better spent evaluating the application of the balance indicators, improving the balance indicators, the guidelines for the indicators and evaluating the overall situation or establishing a comprehensive overview with regard to balance or imbalance of EU fleets and opportunities. There is also then potential for experts to address specific questions about key areas where improvement in balance is a key requirement for improvements in fleet profitability and stock sustainability.

STECF supports the suggestion of the SGBRE working group that MS could choose from a range of suggested or alternative statements regarding the degree of balance in their own fleets and segments, and suggests that this suggestion is communicated to MS. The idea could be further developed by linking these statements to values of indicators. The statements suggested are as follows:

1. Capacity is substantially in excess of opportunity – means that the fleet is capable of catching (at reference year catch rates) far in excess of the

permitted opportunity, or that the level of production could have been achieved with substantially less physical capacity.
2. Capacity is somewhat in excess of opportunity – means that the fleet is capable of catching more than the permitted opportunity.
3. Capacity is approximately in balance with the fishing opportunity. There is either little unused capacity or little unused opportunity.
4. Capacity is somewhat below the fishing opportunity – means that there is some unused opportunity due to lack of catching capacity, which is therefore not delivering possible economic and social benefits to the MS.
5. Capacity is substantially below the fishing opportunity – means that there is a substantial amount of the fishing opportunity that is not taken up due to lack of fleet capacity, and there are substantial social and economic benefits that are not being realised by the MS.

STECF is concerned to note the issue of incorrect translation of MS reports raised by the STECF-SGBRE 10-01WG and asks the Commission to consider appropriate solutions to this difficulty.

STECF endorses the suggestions and recommendations of the working group report, summarised in section 6 of the report. STECF makes the following **recommendations** arising from the findings and recommendations of the STECF-SGBRE 10-01 WG:

1. STECF recommends that the Commission once again urges MS to submit their reports and to do so by the deadline.
2. STECF recommends that Commission summaries of MS reports follow the new, shorter, template format as suggested in the report of SGBRE 10-01. Summaries will then contain the same information in the same order while remaining within the word limit required by the translation service. This would greatly assist STECF to evaluate the Commission summaries should STECF continue to be required to do so.
3. STECF recommends that the Commission again asks MS which have not already done so, to structure their annual reports as suggested in the report of SGBRE 10-01.
4. STECF recommends that the Commission asks MS to include at the front of their reports the suggested summary template contained in the report of SGBRE 09-01.
5. STECF recommends that in its summary report, the Commission names the MS whose reports indicate a considerable degree of fleet over-capacity.
6. STECF identifies the need for better technical indicator(s) for passive gear fleet segments and recommends that the Commission finds a way to develop them.
7. When the relevant regulations (Council Regulation No 2371/2002 and Regulation no 1438/2003) are updated, STECF recommends that the Commission consider explicitly requiring MS to report not only on their efforts to achieve balance, but to state clearly what they believe is the degree of balance between fleet capacity and fishing opportunity in their MS, and whether balance has been improving or worsening over the last few years.
9. STECF recommends that MS are again asked to state, where appropriate, why balance indicators have not been reported, as this may help to resolve any underlying problems and make it possible to report indicators in subsequent years.

10. When preparing updated Guidelines to MS on estimating balance indicators, STECF recommends that the Commission take into account suggestions for text included in the report of SGBRE 10-01.
11. STECF recommends that updated Guidelines are prepared and distributed to MS in time for MS to use them in preparation of their reports relating to 2010, to be submitted by 30 April 2011.
12. STECF recommends that MS be asked to describe their fleets using the fleet segmentation required under the DCF.

4. ANNEX I. Report of SGBRE 10-01

SGBRE 10-01: REVIEW OF NATIONAL REPORTS ON BALANCE BETWEEN FISHING CAPACITIES AND FISHING OPPORTUNITIES.

Edinburgh, 13-17th September 2010

This report is the opinion of the expert working group on Balance between capacity and exploitation (SGBRE 10-01) and not of the Scientific, Technical and Economic Committee for Fisheries (STECF)

This report does not necessarily reflect the view of the European Commission and in no way anticipates the Commission's future policy in this area

5. Introduction to SGBRE 10-01 working group report

5.1. Terms of reference

The working group was asked to:

1. Evaluate the Member States' reports on their efforts during 2009 to achieve a sustainable balance between fishing capacity and fishing opportunities and the Commission's summaries of MS reports, taking account in particular the following aspects:

    a) Compliance of MS reports with Art. 14 of Council Regulation No. 2371/2002 and Art. 12 of Commission Regulation No. 1438/2003

    b) Member States evaluation of the effect of fishing effort management measures on fishing capacity

    c) Member States' assessment of the balance between fishing capacity and fishing opportunities for their fishing fleets

    d) Where appropriate, Member States' application of the indicators proposed in the "Guidelines for an improved analysis of the balance between fleet capacity and fishing opportunities"

2. The Commission has produced a Draft updated version of the "Guidelines for an improved analysis of the balance between fleet capacity and fishing opportunities". The working group is asked to comment on this new Draft version of the guidelines, and where appropriate suggest alternative drafting, before the new Guidelines are finalised and forwarded to Member States for their application to the 2010 fleet reports.

3. Assess and comments on any progress evident in addressing the problem of availability of data for the calculation of the proposed indicators in MS reports.

4. Assess and comment on the appropriateness of any indicators used by MS for small scale coastal fleets and fisheries.

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6. Summary of key findings and recommendations of SGBRE 10-01

Overall, the terms of reference for the working group were not quite achievable due to time constraints. In particular, because the group had to split into subgroups to tackle different aspects of many of the ToR questions (Technical, Biological, Economic and Social), there was insufficient time for each group's draft text to be edited by the chair of the working group and then reviewed and agreed in plenary during the week of the meeting. The tasks of editing, discussing and agreeing text had to be completed remotely after the meeting and took a considerable amount of time.

This is a summary of the key findings of the working group SGBRE 10-01:

1. MS annual reports on their efforts to achieve a balance between fleet capacity and fishing opportunity for 2009 overall showed substantial improvements in completeness and in quality compared to reports for 2008.
2. More MS had estimated more balance indicators in their 2009 reports than in the 2008 reports.
3. The overall quality of balance indicators was higher this year compared to last year but only six MS presented the first (preferred) indicator.
4. France had not submitted its annual report for 2009 before SGBRE met to review the reports.
5. MS reports could be further improved and made more readable in future years if they would include the proposed summary sheet and use the proposed report structure included in this report.
6. Little progress was noted in addressing issues of data availability for calculating balance indicators.
7. No MS had developed and presented any alternative balance indicators appropriate for use in small scale fleets and fisheries.
8. The Commission summaries are again presented in variable order and could be much improved if they followed a standardised template. A suggested template and format is provided that would still allow the Commission to adhere to the character limit imposed by their translation service.
9. The Commission summaries of MS reports include some unhelpful generalisations, including a statement that the Portuguese report did not follow the guidelines on calculating balance indicators, when in fact the Portuguese report does include all but the biological balance indicators.
10. The quality and accuracy of the translation of technical vocabulary in some MS reports was found to be poor in some cases. In particular this was noticed in the Italian report. SGBRE recommends that MS consider the Commission's translation and identify any important changes of meaning that have occurred. SGBRE also encourages MS to consider submitting their annual report in English, to avoid the risk of poor translation of technical vocabulary.
11. Some MS reports included graphs in which the text had not been translated. It would be helpful if MS could themselves translate any elements, such as text in graphs, which the Commission translation service will not translate. It might be necessary to advise MS which elements will not be translated by the Commission translation service.

12. Had the French report been submitted on time, it seems that we would once again have had the issue that the Commission translation service would have refused to translate it from French to English, on the grounds that French is an official Commission language. SGBRE suggests that the Commission translation service be required to translate documents into English when those required to work with the documents are not Commission staff.
13. Preliminary contributions to the draft updated Guidelines for calculating balance indicators are presented. There was insufficient time during the working group for members to review and agree proposals for each set of indicators in plenary. SGBRE recommends that the Commission takes these suggestions into account when preparing updated Guidelines on completing balance indicators.

7. ToR 1. Evaluate MS annual reports and Commission summary

Under Item 1 in the Terms of Reference, SGBRE was asked to evaluate:

- Member States' reports on their efforts during 2009 to achieve a sustainable balance between fleet capacity and fishing opportunities; and
- the Commission's summary of Member States' reports.

In particular, SGBRE was asked to take into account the following aspects:

a) Compliance of Member States' reports with Article 14 of Council Regulation no. 2371/2002 and Articles 12 and 13 of Commission Regulation no. 1438/2003
b) MS evaluation of the effect of fishing effort management measures on fishing capacity
c) MS assessment of the balance between fishing capacity and fishing opportunities for their fishing fleets
d) Where appropriate, MS application of the indicators proposed in the "Guidelines for an improved analysis of the balance between fleet capacity and fishing opportunities"

7.1. Scoring system for evaluation of MS reports – required elements

The working group assessed compliance with Articles 12 and 13 of Commission Regulation no. 1438/2003 by using the scoring system that had been developed during SGBRE 09-01. Table 7.1 shows the scoring system which is based on the elements of Article 13 (items 1A to 2 in Table 7.1) and Article 12 (item O in Table 7.1). The scoring system awards a score for providing the required information and a separate score for the quality of the information. Scores for providing the required information are weighted to reflect the importance of the elements included (present) in Member States' reports. The quality score is a reflection of the completeness, robustness and relevance of the information provided. We did not assign a score for submitting the report by the required date.

The scoring table was altered slightly compared to the report of SGBRE 09-01, to reflect the full wording of required element 1.c) in Article 13 of Regulation 1438/2003.

This year we awarded specific scores for completeness, robustness and relevance and each of these elements could achieve a score of 0, 0.5 or 1, so that the total quality score could be between 0 and 3 for each required element.

For including the required elements, reports were awarded full marks available for each element. If the element in respect of 2009 was absent, the score was zero. Therefore, if a MS included the element only in relation to the wrong year, the report would score zero for including that element.

Members of SGBRE split into smaller groups to evaluate MS reports so it is possible that groups may have applied the scoring system differently. However the system was reviewed in plenary before the task and each report was read in full by the groups assessing them. Last year's MS reports and scores were also reviewed to try to ensure consistency of evaluation from SGBRE 09-01 to SGBRE 10-01.

Section 7.5 on page 22 includes suggestions of answers to some requirements and gives an indication of what we were looking for under each requirement.

Q	Element to be included	Max score available	
		Present	Quality
1A	i) Description of fleets	2	3
	ii) Link with fisheries	3	3
	iii) Development in fleets	3	3
1B	i) statement of effort reduction schemes	2	3
	ii) impact on fishing capacity of effort reduction schemes	3	3
1C	Statement of compliance with entry / exit scheme and with level of reference	2	3
1D	i) Summary of weaknesses & strengths of fleet management system	1	3
	ii) plan for improvements in fleet management system	2	3
	iii) information on general level of compliance with fleet policy instruments	1	3
1E	Information on changes of the admin. procedures relevant to fleet management	1	3
2	Report 10 pages or less?	1	-
O	Overall: does report assess balance between capacity & opportunity?	3	3
	Total possible scores:	**24**	**33**

Table 7.1 Scoring system for evaluating Member States annual reports

The requirement that reports should be 10 pages or less was interpreted to mean that the annual report covering the legally required elements should be 10 pages or less. If a report exceeded 10 pages because of including the balance indicators, (which are not legally required) or an annex of detailed information, then the report was still awarded a point for being 10 pages or less. We took this interpretation because last year we recommended that this page limit be revisited and the Commission has indicated that it will reconsider the page limit next time the regulation is revised and that in the meantime there is no penalty to MS whose reports exceed 10 pages.

We understand that only 10 of the 22 relevant MS submitted their annual reports by the deadline of 30th April 2010. Failure to meet the deadline meant that some reports had not been summarised by the Commission before SGBRE 10-01. The report from France had not been received by the Commission before the working group.

7.2. Evaluation of Member States annual reports for 2009

All MS reports (with the exception of the French report, which had not been received by the Commission prior to the working group) were evaluated against the requirements of Article 12 and13 of Commission Regulation no. 1438/2003 by the SGBRE 10-01 working group.

Overall there is variation in the completeness and quality of MS reports for 2009 but there is a general improvement in completeness compared to the reports for 2008. Once again a common strength amongst the Member States' reports was the description provided of their fleets, changes of the fleet over the year and linkages with fisheries. Key points to note are:

- There has been a distinct overall improvement in providing the required elements of the MS reports compared to the 2008 reports.
- Several MS mentioned as not having completed required elements in their 2008 reports have included those elements in their 2009 reports.
- Sweden, Spain and UK did not describe their fishing fleets in relation to fisheries.
- All MS stated whether they complied with entry/exit schemes.
- Five MS (Belgium, Cyprus, Estonia, Greece and Spain) did not provide a summary of weaknesses & strengths of fleet management system
- Eleven Member States' reports did not provide plans for improvements in fleet management systems.
- Seven Member States did not give information on the level of compliance with fleet policy instruments. This was an improvement on 2008 MS reports.
- Eight MS did not give an overall opinion on whether their fleet was or was not in balance with its fishing opportunity in 2009 (compared to14 in 2008 reports).
- Greece was the most improved MS in terms of score achieved.

Table 7.2 shows the scores by MS for inclusion of required elements in their annual report (the "present" score). Table 7.4 ranks MS by their score for inclusion of required elements. A maximum of 24 points was available. Bulgaria and Poland achieved the maximum 24 points, while Spain scored only 8 points. There is less variation than for the previous year with all but two MS scoring 75% or above for including the required elements.

Table 7.3 shows the quality scores by MS for included elements in the annual reports. There is a slight reduction in variation in the quality of the MS reports compared to the previous year. Table 7.5 ranks MS by their quality score for the required elements. A maximum of 33 points was available. Denmark achieved highest points with a score of 28 and Spain scored 9.5.

Q	Required element of report	Max scores	BELGIUM	BULGARIA	CYPRUS	DENMARK	ESTONIA	FINLAND	GERMANY	GREECE	IRELAND	ITALY	LATVIA	LITHUANIA	MALTA	NETHERLANDS	POLAND	PORTUGAL	ROMANIA	SLOVENIA	SPAIN	SWEDEN	UK
1A	i) Description of fleets	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
	ii) Link with fisheries	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	0	0	0
	iii) Development in fleets	3	3	3	3	3	3	3	3	3	0	3	3	3	3	3	3	3	3	3	0	3	3
1B	i) statement of effort reduction schemes	2	2	2	2	2	2	2	0	2	2	2	2	2	2	2	2	2	2	2	2	2	2
	ii) impact on fishing capacity of effort reduction schemes	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	0	3	3
1C	Statement of compliance with entry / exit scheme and with level of reference	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
1D	i) Summary of weaknesses & strengths of fleet management system	1	0	1	0	1	0	1	1	0	1	1	1	1	1	1	1	1	1	1	0	1	1
	ii) plan for improvements in fleet management system	2	0	2	2	2	0	0	0	2	0	2	0	0	0	0	2	2	0	2	0	2	2
	iii) information on general level of compliance with fleet policy instruments	1	0	1	0	0	0	1	0	1	0	1	1	0	1	1	1	1	1	1	1	1	1
1E	Information on changes of the administrative procedures relevant to fleet management	1	0	1	1	1	0	1	1	1	0	1	1	0	1	1	1	1	1	1	1	1	1
2	Report 10 pages or less?	1	1	1	0	1	1	1	1	1	1	0	1	1	0	1	1	0	1	0	0	1	0
O	Overall: does report assess balance between capacity & opportunity?	3	3	3	0	3	3	0	3	3	0	3	3	3	3	3	3	0	0	0	0	0	3
	Total scores:	24	19	24	18	23	19	19	19	23	14	23	22	20	21	22	24	20	19	20	8	18	20

Table 7.2 Scores by Member State for inclusion of required elements in annual reports

Q	Required element of report	Max scores	Belgium	Bulgaria	Cyprus	Denmark	Estonia	Finland	Germany	Greece	Ireland	Italy	Latvia	Lithuania	Malta	Netherlands	Poland	Portugal	Romania	Slovenia	Spain	Sweden	UK
1A	i) Description of fleets	3	3	3	3	3	2.5	3	3	3	3	1.5	3	2	2	3	1.5	2	3	3	3	3	3
	ii) Link with fisheries	3	1	2	3	2	2.5	3	3	2.5	2	3	3	2	2.5	2	1.5	2.5	3	0.5	0	0	0
	iii) Development in fleets	3	2	2.5	0.5	3	2.5	3	3	1	0	1	3	1.5	2	2	1.5	2	3	2	0	3	3
1B	i) statement of effort reduction schemes	3	2.5	0.5	3	3	3	3	0	3	3	3	3	3	3	3	3	3	2.5	3	3	3	3
	ii) impact on fishing capacity of effort reduction schemes	3	2	2	3	3	3	2.5	1	3	1.5	3	1.5	3	3	2	3	3	3	0.5	0	1.5	3
1C	Statement of compliance with entry / exit scheme and with level of reference	3	1.5	3	3	3	3	2.5	3	3	3	3	2.5	1.5	3	0	2.5	3	3	3	2	0	3
1D	i) Summary of weaknesses & strengths of fleet management system	3	0	1.5	0	3	0	1.5	2	0	0	1.5	3	2.5	1.5	3	3	1.5	3	3	0	1.5	0
	ii) plan for improvements in fleet management system	3	0	1.5	2	2	0	0	0	1.5	0	2.5	0	0	0	0	3	2.5	0	3	0	1.5	3
	iii) information on general level of compliance with fleet policy instruments	3	0	0.5	0	0	0	1.5	0	0.5	0	0.5	0	0	2	1	3	2.5	1	2	1.5	1.5	0
1E	Information on changes of the administrative procedures relevant to fleet management	3	0	1.5	3	3	0	2.5	3	2.5	0	1	3	0	1.5	3	3	1.5	2	2	0	1.5	3
2	Report 10 pages or less?	n/a																					
O	Overall: does report assess balance between capacity & opportunity?	3	2	2	0	3	2	0	2	1.5	0	1.5	1.5	2	0	1.5	0	0	0	0	0	0	3
Total scores:		33	14.0	20.0	20.5	28.0	18.5	22.5	20.0	21.5	12.5	21.5	23.5	17.5	20.5	20.5	25.0	23.5	23.5	22.0	9.5	16.5	24.0

Table 7.3 Scores by Member State for quality of required elements in annual reports

Scores for inclusion of required elements					
Member State	**Score**	**Max Score**	**%**	**Score for 2008 report**	**Change from 08 to 09 report**
BULGARIA	24	24	100%	18	+6
POLAND	24	24	100%	21	+3
DENMARK	23	24	96%	14	+9
GREECE	23	24	96%	7	+16
ITALY	23	24	96%	10	+13
LATVIA	22	24	92%	21	+1
NETHERLANDS	22	24	92%	21	+1
MALTA	21	24	88%	17	+4
LITHUANIA	20	24	83%	12	+8
PORTUGAL	20	24	83%	17	+3
SLOVENIA	20	24	83%	15	+5
UK	20	24	83%	16	+4
BELGIUM	19	24	79%	16	+3
ESTONIA	19	24	79%	11	+8
FINLAND	19	24	79%	19	0
GERMANY	19	24	79%	20	-1
ROMANIA	19	24	79%	17	+2
CYPRUS	18	24	75%	19	-1
SWEDEN	18	24	75%	15	+3
IRELAND	14	24	58%	17	-3
SPAIN	8	24	33%	14	-6

Table 7.4 Ranked results for inclusion of required elements in MS reports

Scores for quality of included elements					
Member State	Score	Max Score	%	**Score for 2008 report**	**Change from 08 to 09 report**
DENMARK	28.0	33	85%	20	+8
POLAND	25.0	33	76%	22	+3
UK	24.0	33	73%	14	+10
LATVIA	23.5	33	71%	26	-2.5
PORTUGAL	23.5	33	71%	20	+3.5
ROMANIA	23.5	33	71%	14	+9.5
FINLAND	22.5	33	68%	15	+7.5
SLOVENIA	22.0	33	67%	12	+10
GREECE	21.5	33	65%	6	+15.5
ITALY	21.5	33	65%	9	+12.5
CYPRUS	20.5	33	62%	15	+5.5
MALTA	20.5	33	62%	10	+10.5
NETHERLANDS	20.5	33	62%	19	+1.5
BULGARIA	20.0	33	61%	13	+7
GERMANY	20.0	33	61%	17	+3
ESTONIA	18.5	33	56%	6	+12.5
LITHUANIA	17.5	33	53%	9	+8.5
SWEDEN	16.5	33	50%	11	+5.5
BELGIUM	14.0	33	42%	15	-1
IRELAND	12.5	33	38%	12	+0.5
SPAIN	9.5	33	29%	10	-0.5

Table 7.5 Ranked results for quality of included elements in MS reports

Scores for including required elements		2008 MS reports			2009 MS reports		
		Sum of scores	Summed score as % of max	sum of max scores	Sum of scores	Summed score as % of max	sum of max scores
Q	Required element of report						
1A	i) Description of fleets	42	100%	42	42	100%	42
	ii) Link with fisheries	45	71%	63	54	86%	63
	iii) Development in fleets	51	81%	63	57	90%	63
1B	i) statement of effort reduction schemes	36	86%	42	40	95%	42
	ii) impact on fishing capacity of effort reduction schemes	45	71%	63	60	95%	63
1C	Statement of compliance with entry / exit scheme and with level of reference	32	76%	42	42	100%	42
1D	i) Summary of weaknesses & strengths of fleet management system	12	57%	21	16	76%	21
	ii) plan for improvements in fleet management system	22	52%	42	20	48%	42
	iii) information on general level of compliance with fleet policy instruments	8	38%	21	14	67%	21
1E	Information on changes of the administrative procedures relevant to fleet management	10	48%	21	17	81%	21
2	Report 10 pages or less?	13	62%	21	14	67%	21
O	Overall: does report assess balance between capacity & opportunity?	21	33%	63	39	62%	63
	Total scores:	337	67%	504	415	82%	504

Table 7.6 Comparison of scores for inclusion of required elements between 2008 MS reports and 2009 MS reports

Scores for quality of included elements		2008 MS reports			2009 MS reports		
Q	Required element of report	Sum of scores	Summed score as % of max	sum of max scores	Sum of scores	Summed score as % of max	sum of max scores
1A	i) Description of fleets	41	65%	63	56.5	90%	63
	ii) Link with fisheries	27	43%	63	41	65%	63
	iii) Development in fleets	33	52%	63	41.5	66%	63
1B	i) statement of effort reduction schemes	42	67%	63	56.5	90%	63
	ii) impact on fishing capacity of effort reduction schemes	23	37%	63	47.5	75%	63
1C	Statement of compliance with entry / exit scheme and with level of reference	41	65%	63	51.5	82%	63
1D	i) Summary of weaknesses & strengths of fleet management system	21	33%	63	31.5	50%	63
	ii) plan for improvements in fleet management system	22	35%	63	22.5	36%	63
	iii) information on general level of compliance with fleet policy instruments	9	14%	63	17.5	28%	63
1E	Information on changes of the administrative procedures relevant to fleet management	19	30%	63	37	59%	63
2	Report 10 pages or less?						
O	Overall: does report assess balance between capacity & opportunity?	16	25%	63	22	35%	63
	Total scores:	294	42%	693	425	61%	693

Table 7.7 Comparison of scores for quality of included elements between 2008 MS reports and 2009 MS reports

7.3. Change in quality scores compared to 2008 reports

16 MS improved their scores for including required elements, and some of those made very substantial improvements. Only four MS had lower scores this year for inclusion of required elements and these were all minor reductions in score.

18 MS had improved scores for quality of included elements relative to the previous year. Three MS had slightly lower scores for quality than in the previous.

7.4. Specific comments on Member States annual reports

For some MS reports the experts at SGBRE 10-01 made come comments which may be helpful to those preparing the reports next year.

Belgium. This report included some unnecessary details, such as the names and registration numbers of every vessel that left the fleet, and had some important items lacking. The report could be substantially improved if the report headings were in line with the required elements, as suggested above.

Cyprus. It was helpful that the Cyprus report was structured with headings that matched the required elements of the report. However, in some cases the content did not match the header, for instance under heading D, there are three elements listed in the header, but only one of those elements (a plan for improvements) is included in the text under that header. There is no summary of strengths and weaknesses and there is no information on compliance.

There is mention of fleet figures at 1st December 2009. We suspect this may be a typing error and should really read 31st December, but it is not certain whether or not this is accurate.

Estonia. This report obtained lower marks for relevance because there is too much extra data (e.g. catch data at vessel level) that was not required. It was also more difficult to read because the sections were not presented in the same order as in Article 13 of Commission Regulation no. 1438/2003.

In order to assess the balance between fishing capacity and fishing opportunities the report includes an additional definition of potential fishing capacity ("passive capacity").

Germany. The German report follows the order of Article 13 of Commission Regulation no. 1438/2003 and presents a clear description of the fleet, including the link between fleet segments and fisheries. Fishing effort reduction schemes are not so well described, the same occurs with the summary of strengths and weaknesses and the plans for improvement.

Lithuania. The Lithuanian report follows only partially the order of the required headings, which were also mixed with the calculations of the recommended indicators.

The balance of fishing capacity and fishing opportunities is not assessed for the High Sea fleets, which are more important in terms of landings than those operating in the Baltic Sea. The summary of strength and weaknesses and the plans for improvement is also missing for this part of the Lithuanian fleet.

Malta. The Maltese report correctly follows the scheme of Article 13 of Commission Regulation no. 1438/2003.

Some administrative information is contained in the paragraph related to the fleet management system.

With regard to the assessment of the balance between capacity and opportunities, the Maltese report contains a statement about the absence of overcapacity, but omits to explicitly state if the balance has been reached or if there is a situation of under capacity.

Portugal. Some figures in the report related to the Portuguese fleet capacity have not been translated into English. For this reason the presentation of developments in fleets is not considered fully robust and relevant. Information about plans for improvements in fleet management system has been included in paragraph 2 related to fishing effort reduction scheme. The quality of the information is complete and relevant.

7.5. Ideal information under each required element of the MS reports

Many MS could make substantial improvements to the completeness and usefulness of their report if they would structure their report in line with the required minimum elements as listed in the regulation. Some MS did do this and it made the job of the working group very much easier when the report headings matched the text of the required elements in Article 13 of Regulation 1438/2003.

Specifically, we suggest that the MS reports should be structured like this:

Summary of report	
Statement of MS opinion on balance of fleet capacity and fishing opportunity	
Section A	i) Description of fleets
	ii) Link with fisheries
	iii) Development in fleets
Section B	i) statement of effort reduction schemes
	ii) impact on fishing capacity of effort reduction schemes
Section C	Statement of compliance with entry / exit scheme and with level of reference
Section D	i) Summary of weaknesses & strengths of fleet management system
	ii) plan for improvements in fleet management system
	iii) information on general level of compliance with fleet policy instruments
Section E	Information on changes of the administrative procedures relevant to fleet management
Section F	Estimation and discussion of balance indicators
	i) Technical indicator(s)
	ii) Biological indicators
	iii) Economic indicators
	iv) Social indicators

Summary of report
The summary page of MS reports should follow the proposed summary page template contained in the report of SGBRE 09-01, which was endorsed by STECF plenary and by the Commission. We understand that this proposed summary page will be included in updated Guidelines from the Commission on how to complete the Balance Indicators.

Statement of opinion on balance of fleet capacity with fishing opportunity
It would be very helpful if each MS would give a clear opinion or verdict on whether, overall, they consider that there is balance between fleet capacity and fishing opportunity. We looked for each MS report to state quite clearly how the MS assesses the balance between fleet capacity and opportunity. For instance, a report may state that fleet utilisation is 80%, quota uptake is 90% and so on, but still fail to give an opinion as to whether there is balance between fleet capacity and fishing opportunity, and if not, in which direction the imbalance lies.

An acceptable statement could be along the lines of this: Based on an overview of the four balance indicators, the fishing capacity of the fleet is approximately in balance with the fishing opportunity in 2009. For some MS, it might be appropriate to make such a statement for a number of major fleet segments or sectors.

It would be useful if MS could choose from, for instance, five possible opinions on a scale from severely over capacity to severely under capacity. A suggested range is presented below. A future working group could perhaps propose a way to link the indicator ratios to these or an alternative set of potential overall opinions:

6. Capacity is **substantially in excess** of opportunity – means that the fleet is capable of catching (at reference year catch rates) far in excess of the permitted opportunity, or that the level of production could have been achieved with substantially less physical capacity.
7. Capacity is **somewhat in excess** of opportunity – means that the fleet is capable of catching more than the permitted opportunity
8. Capacity is **approximately in balance** with the fishing opportunity. There is either little unused capacity or little unused opportunity
9. Capacity is **somewhat below** the fishing opportunity – means that there is some unused opportunity due to lack of catching capacity, which is therefore not delivering possible economic and social benefits to the MS.
10. Capacity is **substantially below** the fishing opportunity – means that a substantial amount of the fishing opportunity is not taken up due to lack of fleet capacity, and there are substantial social and economic benefits that are not being realised by the MS.

Alternatively, MS might like to give an opinion using a phrase that describes vessel utilisation or fleet capacity utilisation, for instance, vessels are fully utilised; vessels are somewhat under utilised; vessels are substantially under-utilised.

MS need to bear in mind however that the indicators of balance are just indicators, and not actual measures of fleet capacity or definitive judgements on the appropriateness of fleet capacity in relation to its opportunity.

7.6. Translation of MS reports

SGBRE understands that the reports submitted by MS are translated into English by the Commission translation service. Due to the language skills of some of the experts at SGBRE 10-01, we noted some examples of inaccurate translation, to the extent that the meaning of the report had been changed during translation.

For example, it was pointed out from the Italian report:

1) On page 20, section 6.3, in the first paragraph the Italian reports states:
"…il ROI e il rapporto tra i ricavi di Break-even e i ricavi correnti."

An Italian speaker in SGBRE advises that this means,

"the ROI and the ratio between break-even revenue and current revenue".

In the English translation of the Italian report, this sentence is incorrectly translated as,

"the ROI **is** the ratio between break-even revenue and current revenue".

As written in English, this is an incorrect statement.

2) On page 21 the Italian report states:

"stante la modalita di retribuzione "alla parte" ".

An Italian speaker in SGBRE advises that this means

"due to the profit share wage contract".

In the English translation of the Italian report, this phrase is incorrectly translated as,

"due to the piecework wages system".

A piece work wage system is completely different from a profit share wage system.

There was also confusion among experts at the meeting regarding the Portuguese report and the Commission summary of the Portuguese report. There appears to have been an incorrect translation of the "Greenland Halibut recovery plan" in the Portuguese report into English, where it was presented on page 8 as the "Tuna recovery plan".

SGBRE accepts that highly technical vocabulary in both languages is required to accurately translate MS reports and suggests that MS could read the English translation of their reports and highlight any errors in translation that they find. Otherwise, MS may wish to translate their reports themselves and submit their annual reports to the Commission in English.

8. ToR 1.d. Evaluate MS application of guidelines on balance indicators

The balance indicators estimated in MS reports were reviewed and evaluated largely using the scoring system devised during SGBRE 09-01 and detailed below. However, for presence or inclusion of recommended indicators, we revised the system.

After first recording which indicators were present in MS reports, we noted that using last year's system, a MS had scored over 100% despite not having included any biological indicators. Also, we felt that the possibility of scoring in excess of 100% could be a confusing element of the scoring system. Therefore we simplified the approach. If any indicator in a category (Technical, Biological, Economic, Social) was presented, that indicator was awarded one point. The maximum score for completing the minimum recommended indicators is therefore four points. If a MS included extra indicators over and above the minimum recommended of one per category, this was noted in the score table but not awarded a numerical score.

The existing guidelines recommend completing the technical indicator, one biological, one economic and one social indicator. There is a stated preference for the first indicator, with second or third indicators being regarded as less satisfactory but acceptable if data are not available for the preferred indicator. There was debate about the desire to recognise that the indicators are designated as first preference, second preference and in the case of biological, third preference. This designation was created by a previous meeting of SGBRE, endorsed by STECF and adopted by the Commission in the first version of the Guidelines on completing the indicators.

There was strong feeling that those MS that completed the preferred indicators (the first one listed in each category) should receive greater acknowledgement than those that completed less-preferred indicators. However, there were many views within the group as to the best way to achieve this, given that for some MS, data did not exist to allow the completion of the preferred biological indicator. After discussion it was clear that all the members of the group would not reach agreement on a scoring system for completion of indicators, therefore the chair of SGBRE 10-01 chose one of the systems that had been discussed (described above).

We awarded a presence score for the UK, which presented an alternative biological indicator of balance instead of one of the recommended indicators.

Table 8.1 shows scores per MS for presenting the indicators. Detailed scores are shown in subsequent tables for each type of indicator. Detailed evaluation was carried out by experts working in sub-groups of appropriate disciplines.

Member State	TECHNICAL	BIOLOGICAL 1	BIOLOGICAL 2	BIOLOGICAL 3	BIOLOGICAL Alt.	ECONOMIC 1	ECONOMIC 2	SOCIAL 1	SOCIAL 2	**Total Score**	No. of Extra indicators	Full marks for min required indicators	**% of full marks**
Belgium	1	1	E			1		1		**4**	1	4	**100%**
Bulgaria	1			1		1	E	1	E	**4**	2	4	**100%**
Cyprus	1			1		1				**3**		4	**75%**
Denmark	1			1		1	E	1	E	**4**	2	4	**100%**
Estonia	1			1						**2**		4	**50%**
Finland										**0**		4	**0%**
Germany										**0**		4	**0%**
Greece										**0**		4	**0%**
Ireland										**0**		4	**0%**
Italy	1			1		1	E	1	E	**4**	2	4	**100%**
Latvia	1	1				1		1	E	**4**	1	4	**100%**
Lithuania		1		E		1		1	E	**3**	2	4	**75%**
Malta	1	1		E		1		1		**4**	1	4	**100%**
Netherlands	1	1				1	E	1	E	**4**	2	4	**100%**
Poland										**0**		4	**0%**
Portugal	1					1			1	**3**		4	**75%**
Romania								1	E	**1**	1	4	**25%**
Slovenia	1					1	E	1	E	**3**	2	4	**75%**
Spain										**0**		4	**0%**
Sweden	1	1				1	E		1	**4**	1	4	**100%**
UK					1					**1**		4	**25%**

Table 8.1 Scores per Member State for completion of balance indicators. (E = extra)

Overall scores for completing the indicators are as shown in Table 8.1. Eight MS (Belgium, Bulgaria, Denmark, Italy, Latvia, Malta, Netherlands and Sweden) met or exceeded the minimum requirements for the balance indicators as specified in the guidelines. This is an improvement on the previous year. Some MS did not complete any balance indicators and some MS completed some of the indicators suggested. The Technical indicator and the first Economic indicator were the most commonly completed indicators, each completed by 12 MS. Eleven MS presented at least one Biological Indicator, including United Kingdom which completed an alternative biological indicator.

Table 8.2 shows quality scores for MS for the guideline and alternative indicators. Belgium, Bulgaria, Denmark, Italy, Latvia, Lithuania, Malta, Netherland, Slovenia and Sweden all scored highly in terms of the quality of indicators.

Member State	TECHNICAL	BIOLOGICAL 1	BIOLOGICAL 2	BIOLOGICAL 3	BIOLOGICAL Alt.	ECONOMIC 1	ECONOMIC 2	SOCIAL 1	SOCIAL 2	**TOTAL SCORE**	Max score for minimum recommended indicators
Belgium	7	6	4			5		6		28	32
Bulgaria	8			4		8	6	6	6	38	32
Cyprus	6			8		6				20	32
Denmark	5			6		8	8	8	8	43	32
Estonia	6			7						13	32
Finland										0	32
Germany										0	32
Greece										0	32
Ireland										0	32
Italy	6			8		8	8	8	7	45	32
Latvia	6	7				8		7	7	35	32
Lithuania		6		4		7		8	8	33	32
Malta	7	5		7		8		8		35	32
Netherlands	2	5				5	4	6	6	28	32
Poland										0	32
Portugal	6					7			5	18	32
Romania										0	32
Slovenia	7					6	6	7	5	31	32
Spain										0	32
Sweden	7	7				7	7		6	34	32
UK					8					8	32

Table 8.2 Summary of quality scores for indicators per Member State

In general, there was some improvement in presenting an overview and comparison between the different indicators (biological, technical, social and economic) that MS have estimated for their own fisheries.

8.1. Evaluation of Technical Indicators

Technical Indicator Scoring System
The technical indicators included in MS reports were reviewed and evaluated against four criteria and given scores of 0, 1 or 2 for each of the criteria. Table 8.3 shows how scores were awarded for quality of technical indicators.

Score	
	Completeness of indicator
0	Incomplete i.e. indicator not calculated
1	Partially complete – included one of days at sea per vessel, GT or KW. Not 2009
2	Complete or almost complete – as per guidelines. Included two of days at sea per vessel, GT or kW, was for 2009
	Interpretation / useful / conclusion
0	No interpretation, comment on ratio
1	Limited comment on meaning of ratio
2	Useful commentary on meaning of ration in relation to segment
	Accurate – correct computation
0	Not present
1	Only presented ratio and not underlying days. Calculation appeared accurate
2	Presented days at sea and ratio. Calculation appeared accurate
	Fleet coverage
0	No coverage of segments
1	0-74% of total fleet GT covered
2	75% or over of total fleet GT covered

Table 8.3 Scoring system used for technical indicators

Table 8.4 shows the scores awarded to each MS for their application of technical indicators. The technical indicators from each MS are then evaluated individually and a short summary and comment are presented.

The technical balance indicator evaluated is:

1. **Capacity utilisation**: Ratio between the average number of days at sea per vessel and the maximum historical number of days at sea achieved by any vessel in that fleet segment. Gives a simple measure of potential capacity in a given fleet segment over time, and the utilisation of that potential capacity over time. Kilowatts (kW) and or Gross tonnage (GT) can be incorporated into the calculation to give a better assessment

Country	Completeness	Conclusion	Accuracy	Fleet coverage	Total Score	Max Score
Belgium	1	1	2	2	**6**	8
Bulgaria	2	2	2	2	**8**	8
Cyprus	2	0	2	2	**6**	8
Denmark	1	1	1	2	**5**	8
Estonia	1	2	1	2	**6**	8
Finland					0	8
Germany					0	8
Greece					0	8
Ireland					0	8
Italy	1	2	1	2	**6**	8
Latvia	2	0	2	2	**6**	8
Lithuania					0	8
Malta	1	2	2	2	**7**	8
Netherlands	1	0	0	1	**2**	8
Poland					0	8
Portugal	1	1	2	2	**6**	8
Romania					0	8
Slovenia	2	1	2	2	**7**	8
Spain					0	8
Sweden	1	2	2	2	**7**	8
UK					0	8

Table 8.4 Scores per Member State for quality of technical indicators

Belgium

Belgium's report provided the Technical Indicator for 2009. The Technical Indicator was calculated accurately and some discussion of the ratio was made. However, the ratio was not related to the balance between fishing capacity and fishing opportunities. The indicator was calculated for days at sea per vessel but not for kW days or GT days. Fleet coverage was good for the Technical Indicator as most of the fleet was covered. Overall we judged the information provided to be of good quality.

Bulgaria

Bulgaria's report provided the Technical Indicator for 2009. The Technical indicator was calculated for days at sea per vessel, kW days and GT days. Useful interpretation of the technical indicator was given by using the traffic light system. Overall we judged the information provided to be of good quality.

Cyprus

Cyprus has provided detailed information of the Technical Indicator for 2009. The fleet coverage was good. The technical indicator was calculated accurately for all vessels in Cyprus fleet, but the overall interpretation of the technical indicator was not provided.

Denmark

Denmark's report provided the Technical Indicator for 2009. The ratio was present, but the calculation was not shown. The indicators were shown for days at sea, but

not for kW days or GT days. The indicators were discussed, but the ratio was not applied to discuss the balance between fishing capacity and fishing opportunities. Overall we judged the information provided to be of good quality.

Estonia
Estonia's report provided the Technical Indicator for 2009. Estonia provided the ratio based on days at sea only and not GT or kW days at sea. However, the underlying information in terms of maximum days at sea was not provided. Technical Indicators were provided on a vessel by vessel basis and good coverage of fleet. There was good overall interpretation of the balance between fishing capacity and fishing opportunities, based on among others the technical indicator. Overall we judged the information provided to be of good quality.

Finland
No Technical Indicator was provided.

Germany
No Technical Indicator was provided.

Greece
No Technical Indicator was provided.

Ireland
No Technical Indicator was provided.

Italy
Italy's report provided the Technical Indicator for 2008, but not for 2009. The report provided the ratio for days at sea per vessel, kW and GT indicators and the average days at sea, but not the maximum days at sea. The interpretation of the result was clearly presented using the traffic light system and there is a thorough discussion of the overall conclusion.

Latvia
Latvia provided the technical balance indicators for the period 2005-2009. They ratio was provided, based on days at sea, as well as kW days at sea for netters and GT days at sea for trawlers. Latvia provided full fleet coverage, calculating indicators for the three Latvian segments. However, Latvia did not interpret their results in terms of traffic light system or text concluding whether there is balance between fishing capacity and fishing opportunities.

Lithuania
No Technical Indicator was provided.

Malta
Malta's report provided the Technical Indicator but for 2005-2009. The report provided the days at sea ratio as well as the kW and GT days. Malta did provide indicators for active and passive gears, but not for each fleet segment. The interpretation of the results was clear. Overall we judged the information provided to be of reasonable quality.

The Netherlands
The Netherlands' report provided the Technical Indicator for 2007-2009. They only provided data for the beam trawlers and not for pelagic freezer trawlers. The ratio for days at sea per vessel was provided for beam trawlers, but not the ratio for kW days or GT days. No supporting information on days at sea per vessel and maximum days at sea per vessel was provided and the result was not interpreted. Overall, we judged the information provided to be of low quality.

Poland
No Technical Indicator was provided.

Portugal
Portugal did provide the technical indicator for 2005-2009. They provided the ratio for days as sea per vessel only, but not for kW or GT days at sea per vessel. Portugal had a high fleet coverage, including the complete mainland fleet. The ratios were discussed, but interpretation related to the balance between fishing capacity and fishing opportunities was missing. Overall we judged the information provided was of good quality.

Romania
No Technical Indicator was provided.

Slovenia
Slovenia's report provided the technical indicator for 2009. The ratio was given for days at sea per vessel and GT days (for vessels using passive gear) and kW days (for vessels using active gears). The fleet coverage was good. There was some discussion of the ratios, but no interpretation related to the balance between fishing capacity and fishing opportunities. Overall we judged the information provided to be of high quality.

Spain
No Technical Indicator was provided.

Sweden
The Swedish report provided the technical indicator, assumable for 2008 (the assessment year is not stated explicitly), but not for 2009. They provide the ratio based on both days at sea as well as kW days at sea. Both the ratios and underlying days were given in the report. The fleet coverage was high, using the fleet segments of the DCF. Complete interpretation of the indicator was provided in the text. Overall we judged the information provided (for 2008) to be of high quality.

UK
UK provided information on the change in capacity over time, only. However, this is not useful to conclude of the current balance between fishing capacity and fishing opportunities. It is recommended that the guidelines are used for calculation of the technical indicator.

8.2. Evaluation of Biological Indicators

The biological indicators included in Member States' reports were reviewed and evaluated against four criteria and given scores of 0, 1 or 2 for each of the criteria. In general, those indicators presented were of fairly good quality. However, only six MS calculated the preferred biological indicator. SGBRE appreciates the effort of these MS for presenting the more difficult indicator. Some MS gave reasons of incompatibility with non-quota management regimes and some mentioned that the Guidelines were not clearly worded and well explained.

Table 8.5 shows how scores were awarded for quality of biological indicators.

Score	
	Completeness of indicator by species
0	When none of the biological indicators were present/calculated
1	Partially complete – when at least one year is calculated (either 2007 or 2008) for at least the main species in terms of catch composition
2	When biological indicator was present for at least 5 years (as cited in the guidelines) for at least the main species in terms of catch composition
	Interpretation / useful / conclusion
0	No interpretation and comments on indicator
1	Limited comments on meaning of indicator, little interpretation or conclusion
2	Meaningful and coherent comments on fleet segment, possible draw conclusion
	Accurate – correct computation
0	Not present
1	Partially correct computation of indicators
2	Fully correct computation of indicators
	Fleet coverage
0	<10% of the total fleet in number of boats
1	11-70% of total fleet in number of boats
2	>70% of total fleet in number of boats

Table 8.5 Scoring system used for biological indicators

Table 8.6 shows the scores awarded to each Member States for their application of biological indicators. The biological indicators from each Member States are then evaluated individually and a short summary and comment are presented.

The three biological balance indicators evaluated are:

1. **Ratio between current and target fishing mortality**. This indicator accommodates differences between species in terms of sustainable exploitation rates. The F/Ft ratio is dimensionless and facilitates comparisons or combinations across species.
2. **Catch / Biomass Ratio.** It can be interpreted as a proxy for the exploitation rate.
3. **Catch per unit of effort (CPUE)**. It can be interpreted as a relative index of stock abundance.

Some MS presented more than one biological indicator. The DCF requires that all MS should collect catch and effort data and therefore MS could present at least CPUE trends together with one or all biological indicators.

Following Commission Guidelines for biological indicators, it is desirable to have a 5 year time series as it contributes to robust results. But if a MS cannot provide a 5 year time series because they are new members or because there has been no assessment for one stock, they should not be penalised for using shorter time series.

Member State	Indicator	Completeness	Interpretation	Accuracy	Fleet Coverage	Total score	Max Score
Belgium	B1	1	1	2	2	6	8
Belgium	B2	1	1	0	2	4	8
Bulgaria	B2	1	1	0	2	4	8
Cyprus	B3	2	2	2	2	8	8
Denmark	B3	2	1	2	1	6	8
Estonia	B3	2	2	1	2	7	8
Finland						0	8
Germany						0	8
Greece						0	8
Ireland						0	8
Italy	B3	2	2	2	2	8	8
Latvia	B1	1	2	2	2	7	8
Lithuania	B1	1	2	1	2	6	8
Lithuania	B3	1	0	1	2	4	8
Malta	B1	1	1	1	2	5	8
Malta	B3	2	1	2	2	7	8
Netherlands	B1	1	2	1	1	5	8
Poland						0	8
Portugal						0	8
Romania						0	8
Slovenia						0	8
Spain						0	8
Sweden	B1	1	2	2	2	7	8
UK	Balt	2	2	2	2	8	8

Table 8.6 Scores per Member State for quality of biological indicators

Belgium

- Biological indicator has to be given for all the time series available and not only for the reference year.
- Second indicator has to be based on the stock biomass and not on the quota
- Limited comments on the interpretation of the indicators, the interpretation has to be developed further
- MS to clarify which fleet segments do the indicators represent (e.g. beam trawls, demersal trawls, etc)

Bulgaria

- The Bulgarian report presents biological indicator 3 (CPUE) for all main species separately and total for 2008 and 2009, for each fleet segment by vessel size range.

- Changes in CPUE from 2008 to 2009 for each fleet segment are presented using a traffic light system.
- There are no further details about how CPUE was calculated; short time data (two years) series do not permit an assessment of its precision and robustness. Two years data not enough for trend analysis

Cyprus

- The biological indicators B1 and B2 were not reported, it is considered that they cannot be calculated.
- The Cyprus report presents biological indicator 3 (CPUE) for each main species targeted by the small scale inshore fleet for the period 2000-2008. Cyprus provides the trend of CPUE for the main species targeted by the trawl fishery in territorial waters, as well as for the overall catch of the fishery, for the period 2000-2008.
- The large pelagic species caught by drifting longliners are analysed for the years 2006-2008.
- Data for 2009 was not presented therefore Cyprus might have to consider its data collection timings to allow presentation of data for the reference year.

Germany

- The biological indicators are not reported.
- The MS explains again their disagreement about the usefulness of all three biological indicators.

Denmark

- The biological indicator, catch per unit of effort (CPUE), was calculated for 5 years, which fully complies with the guidelines.
- MS analysed only two species (cod and plaice) for fleet segment with significant catches, by main fishing area.

Estonia

- The biological indicator should be calculated by stock and fleet segment and not for every single vessel.

Greece

- The biological indicators were not reported.

Finland

- The biological indicators were not reported.

Ireland

- The biological indicators were not reported.

Italy

- Due to the lack of stock assessment information for most Mediterranean species, the first two indicators (B1 and B2) were not provided.
- The CPUE indicator was reported for the various fishing systems (bottom trawling, midwater pair trawling, seining, boat dredges, small-scale fisheries

and long lines) and also for the most important species from the viewpoint of marketing and biomass.

Lithuania

- Biological indicator has to be given for all the time series available and not only for the reference year.
- MS should specify for each fleet segment which stocks (species) were used to calculate the indicator.

Latvia

- The guidelines for calculation of F/Ftarget biological indicator were followed correctly.
- The first biological indicator was provided for the main stocks and fleet segments.

Malta

- Two indicators (F/Ft and CPUE) were provided. The F/Ft was only used in respect of bluefin tuna while CPUE was used for the most important species and divided by fleet segment.
- Five years detailed time data series were used for CPUE trend evaluations.

The Netherlands

- MS should specify within the fleet segments for which stock (species) the indicator was calculated.
- MS should calculate the indicator for all the fleet segments

Poland

- The biological indicators were not reported.

Portugal

- The biological indicators were not reported.

Romania

- The biological indicators were not reported.

Sweden

- The calculation of the biological indicator is very detailed and comprehensive. MS is not required to give a total value of the biological indicator for each fleet segment as this may be misleading
- Biological indicator has to be given for all the time series available and not only for the reference year.

Slovenia

Slovenia did not present any biological indicators. In Slovenia only sardine (*Sardina pilchardus* (Walbaum, 1792)) and anchovy (*Engraulis encrasicolus* (Linnaeus, 1758)) are part of the national data collection program. The main problem for regular stock assessment of these two small pelagic species in Slovenia is the fact that these are shared stocks between Italy, Croatia and Slovenia. At the moment, only Slovenian

data on catches, landings and effort are available. For the above mentioned reasons, Slovenia can not calculate biological indicators.

Spain
No biological indicators were reported.

United Kingdom
The UK presented a different indicator than the ones proposed in the guidelines. The indicator presented describes the proportion of total landings from sustainable sources. SGBRE appreciates the new indicator developed by the UK and the group recognises that this is a possible way to describe the balance between the fishing fleet and their resources.

8.3. Evaluation of Economic Indicators

The economic indicators included in Member States' reports were reviewed and evaluated against four criteria and given scores of 0, 1 or 2 for each of the criteria. Of the indicators presented most were of good quality.

Table 8.7 shows how scores were awarded for quality of economic indicators.

Score	
	Completeness of indicator
0	Incomplete i.e. indicator not calculated
1	The indicator is only calculated for one year
2	The indicator is completely calculated for three years or more
	Interpretation / useful / conclusion
0	No comments or interpretation of indicator
1	Limited comments and interpretation of indicator
2	Useful comments and interpretation of indicator
	Accurate – correct computation
0	The indicator is not correctly calculated
1	There are uncertainty of the accuracy of the calculation
2	There are no indication of incorrectly computation
	Fleet coverage
0	No coverage of segments
1	0-74% of total fleet GT is covered in the calculation of the economic indicator
2	75% or over of total fleet GT is covered in the calculation of the economic indicator

Table 8.7 Scoring system used for economic indicators

Table 8.8 shows the scores awarded to each MS for their application of economic indicators. The economic indicators from each MS are then evaluated individually and a short summary and comment are presented.

The two economic balance indicators evaluated are:

1. **Return on Investment (ROI)**: ROI = (Net profit + Opportunity cost of capital) / Investment. ROI measures investment profitability and can identify under or over capitalisation in the medium to long term.
    - The greater the ROI, the more profitable the investment
    - Low or negative ROI may indicate overcapitalisation
2. **Ratio between current revenue (CR) and break even revenue (BER)** where BER= Fixed Costs / (Cash Flow / Revenue). Indicates economic sustainability in the short-run.
    - When (CR/BER) < 0, cash flow is negative and fishery unviable in the short-run
    - When (CR/BER) < 1, cash flow does not cover fixed costs, indicating an unviable fishery

- When (CR/BER) > 1, cash flow is equal to or greater than fixed costs, indicating a viable fishery

Country	Indicator	Completeness	Interpretation	Accuracy	Fleet coverage	Total score	Max Score
Belgium	E1	2	0	1	2	5	8
Bulgaria	E1	2	2	2	2	8	8
Bulgaria	E2	2	0	2	2	6	8
Cyprus	E1	2	1	2	1	6	8
Denmark	E1	2	2	2	2	8	8
Denmark	E2	2	2	2	2	8	8
Estonia						0	8
Finland						0	8
Germany						0	8
Greece						0	8
Ireland						0	8
Italy	E1	2	2	2	2	8	8
Italy	E2	2	2	2	2	8	8
Latvia	E2	2	2	2	2	8	8
Lithuania	E1	2	1	2	2	7	8
Malta	E2	2	2	2	2	8	8
Netherlands	E1	1	1	1	2	5	8
Netherlands	E2	1	0	1	2	4	8
Poland						0	8
Portugal	E2	2	2	2	1	7	8
Romania						0	8
Slovenia	E1	1	2	1	2	6	8
Slovenia	E2	1	2	1	2	6	8
Spain						0	8
Sweden	E1	1	2	2	2	7	8
Sweden	E2	1	2	2	2	7	8
UK						0	8

Table 8.8 Scores per Member State for quality of economic indicators

Little progress was made in terms of submission of economic indicators in the 2009 reports, with member states which previously did not present economic indicators also not including them in their 2009 reports.

In terms of quality of the economic indicators, overall quality was good and overall better than in 2008. However, for some MS that only presented the economic indicators without detail of the components of the calculation it is difficult to assess the accuracy of the indicator. It would be useful to provide a breakdown of the components of the indicators.

Belgium

- The report shows ROI in a table, but the CR/BER is not calculated. It was not possible to state whether the computation is correct because it was not clear whether the opportunity cost was deducted from profit. The fleet segments in terms of GT would have been useful to determine fleet coverage.

Bulgaria

- The report presents ROI and CR/BER in a table.
- ROI - The interpretation for the ROI indicator was reported and the calculation was correct.

- CR/BER – No interpretation has been provided for this indicator. The computation for this indicator is considered to be accurate.

Cyprus
The report presents ROI indicator. The report could usefully include more comments and interpretation.

Denmark
The report presents ROI and CR/BR. It has scored maximum points in all aspects. In fact this report (economic indicators) is a good example to all other Member States to follow.

Estonia
- No economic indicators reported.

Finland
- No economic indicators reported.

Germany
- No economic indicators reported.

Greece
- No economic indicators reported.

Ireland
- No economic indicators reported.

Italy
The report presents ROI and CR/BER calculated in a correct way. Good comments and interpretation are provided.

Lithuania
- The report presents ROI and CR/BER. The indicator is correctly calculated however better explanation/comments would have been appreciated.
- The table for CR/BER is missing and therefore the working group could not assess accuracy, interpretation and fleet coverage.

Latvia
- The report includes a correctly estimated indicator that is the CR/BER.
- The ROI indicator is not provided.
- A good interpretation is provided.

Malta
- The report calculates CR/BER, but not ROI. The calculations are considered to be correct.
- The report makes good comments and interpretation of the figures for CR/BER.

The Netherlands

- The report calculates CR/BER for 2 years (2007 and 2008) and ROI for one year (2008).
- The interpretation for ROI was only provided for one segment namely the beam trawl segment.
- Member State is invited to provide interpretation for all segments. No interpretation was provided for the CR/BER segment.

Poland

- No economic indicators reported.

Portugal

- The report presents CR/BER, but not ROI.
- Interpretation and calculation are considered to be good.

Romania

No economic indicators reported despite the fact that the data is available and reported.

Slovenia

- Slovenia has calculated both ROI and CR/BER only for one year.
- The interpretation was considered to be useful.
- It is uncertain whether the computation for both the indicators is correct as the calculations were not provided.

Spain

- No economic indicators reported.

Sweden

The report presents both CR/BER and ROI but only for one year (2008). Interpretations of the indicators are satisfactory and the calculations are accurate.

UK

- No economic indicators reported.

8.4. Evaluation of Social Indicators

Social indicator scoring system
The social indicators included in Member States' reports were reviewed and evaluated against four criteria and given scores of 0, 1 or 2 for each of the criteria. Table 8.9 shows how scores were awarded for quality of social indicators.

Score	
	Completeness of indicator
0	Incomplete – year of indicator not referenced or incorrect year reported
1	At least one year (either 2006, 2007, 2008 or 2009)
2	Required time series of three years (2006-2008 or 2009 if possible)
	Useful / quality of presentation / interpretation or conclusion
0	No useful information or useful interpretation/conclusion of indicators
1	Limited usefulness of information, very little interpretation or conclusion
2	Good information and/or interpretation / conclusions drawn
	Accurate – correct computation
0	Complete inaccurate computation of indicators
1	Partially correct computation of indicators
2	Compete correct computation of indicators
	Fleet coverage
0	for <20% of total fleet GT coverage
1	for 21%-50% of total fleet GT coverage
2	for >50% of total fleet GT coverage

Table 8.9 Scoring system used for social indicators

Table 8.10 shows the scores awarded to each Member State for their application of social indicators. The social indicators for each Member State are then evaluated individually and a short summary and comment are presented.

The two social balance indicators evaluated are:

1. **Gross Value Added (GVA)**: Where GVA = Depreciation costs + Interest + Crew share + Net profit. This indicator measures the sum of contributions from the factors of production and indicates if rents are extracted from the resource
2. **Crew wages per Full Time Equivalent (FTE)**: Supplements GVA to facilitate an assessment of the remuneration of labour and can be compared with average and minimum wage rates in Member States

Country	Indicator	Completeness	Conclusion	Accuracy	Fleet coverage	Total score	Max Score
Belgium	S1	2	0	2	2	6	8
Bulgaria	S1	2	1	1	2	6	8
Bulgaria	S2	2	1	1	2	6	8
Cyprus						0	8
Denmark	S1	2	2	2	2	8	8
Denmark	S2	2	2	2	2	8	8
Estonia						0	8
Finland						0	8
Germany						0	8
Greece						0	8
Ireland						0	8
Italy	S1	2	2	2	2	8	8
Italy	S2	2	1	2	2	7	8
Latvia	S1	2	2	1	2	7	9
Latvia	S2	2	2	1	2	7	8
Lithuania	S1	2	2	2	2	8	8
Lithuania	S2	2	2	2	2	8	8
Malta	S1	2	2	2	2	8	8
Netherlands	S1	1	2	2	1	6	8
Netherlands	S2	1	2	2	1	6	8
Poland						0	8
Portugal	S2	2	1	2	0	5	8
Romania						0	8
Slovenia	S1	1	2	2	2	7	8
Slovenia	S2	1	0	2	2	5	8
Spain						0	8
Sweden	S2	2	2	2	0	6	8
UK						0	8

Table 8.10 Scores per Member State for quality of social indicators

The use of GT as a measure of fleet coverage might be misleading in the case of social indicators, because GT gives more importance to vessels with higher GT while, in general, vessels that have a lower GT are more important in terms of FTE jobs. It might be more useful to use proportion of FTE jobs covered by the parts of the fleet included in the social indicators presented." For the same reason, the inclusion of the number of GTs of the inactive vessels in the total number of GTs of the national fleet would reduce the level of fleet coverage incorrectly.

Social indicators

Belgium

- Belgium calculated the average share per full-time equivalent for 2003-2008 for two fleet segments (12-24m and 24-40m). Belgium had a good time series for the S1 social indicator and it was estimated accurately for a very large proportion of the fleet. Limited conclusions were drawn from the social indicator.

- No explanations were provided by the Member State as to how they calculated the wage cost.

Bulgaria

- Following the criterion for the biological indicators ("if a Member State cannot provide 5 year time series because they are new members or because there has been no stocks assessment for one stock they should not be penalised for shorter time series of biological indicators" SGBRE 0901 report) we award full marks to Bulgaria because it was not able to include data for more than two years back as it started collecting data in 2008 (accession year was 2007).

Cyprus

- Cyprus did not report any social indicators

Denmark

- For this report Denmark was able to calculate both crew cost per FTE and GVA, as opposed to the uncertainty and lack of information from the previous year.
- Denmark gave a complete time series for both indicators and includes a reference wage from the industry.

Estonia

- Estonia did not report any social indicators

Finland

- Finland did not report any social indicators

Greece

- Greece did not report any social indicators

Germany

- Germany did not report any social indicators. As in the previous year's report Germany explained that they were not able to report any social indicators because the data was unavailable until 12-15 months after the reporting period. However, Germany could have reported social indicators for the previous years for which data would be available (2008).

Ireland

- Ireland did not report any social indicators

Italy

- Italy did not calculate the GVA indicator for the >40m fleet segments, which consist of more than 40 vessels. However, the Member State still received the highest score for fleet coverage because of the high total of GT of the rest of the fleet (the segments operating in the Mediterranean) for which social indicators have been calculated. Furthermore, larger vessels tend to have lower employment in proportion to GT than small scale fisheries, and are therefore less relevant for social indicators based on wages.

- Italy commented that their fleets are too heterogeneous to compare among each other and to find a reference level.

Latvia
- This year Latvia calculated an additional social indicator.
- The S1 indicator (crew cost per FTE) is said to be inaccurate, but no further explanation is given nor a way to improve it

Lithuania
- Social indicators were presented both as total and by fleets, including values of variables needed for the calculations
- The interpretation of costs per FTE was set in the context of the social and economic situation of Lithuania.

Malta
- The indicators cover most fleet segments, but they do not follow the DCF segmentation (they use gear classes but do not give the corresponding length classes)

Netherlands
- The presentation of the indicators in a separate section for each fleet makes reading and comparison more difficult. However, abundant comments are given at the different sections.
- The fleet segments are not described using the DCF categories (length classes) and terminology.
- A total figure for the capacity of the national fleet in GT is not given, making the evaluation of the fleet coverage difficult. The total GT of the fleet segments chosen for each section on fleet segment description do not add up to 50% of the national fleet.

Portugal
- The presence of Portuguese language in table headings caused some confusion.

Romania
- Romania did not report any social indicators

Slovenia
- GVA was calculated but it was presented on the economic indicator section.
- In general, there was less information than in the previous year and the comments were poorer. SGBRE encourages the MS to follow the path of the previous report which was of a very good standard in social indicators.

Spain
- Spain did not report any social indicators

Sweden
- The report used different fleet disaggregation from the DCF

- Two additional indicators called value added per FTE and vessel were calculated for each of the considered fleet segments.

United Kingdom

- The UK did not report any social indicators

8.5. Evaluation of Commission summary of Member States annual reports

The Commission summaries of Member States' reports once again vary in quality, accuracy and relevance. In particular, the Commission stated that the guidelines were not applied in the Portuguese report when in fact we found that the Portuguese report did include calculations of balance indicators.

In general, many of the Commission summaries make a prominent statement about whether the guidelines were applied. The guidelines are described in an introductory paragraph. However, it is not a legal requirement to follow these guidelines and we feel that undue prominence is given to inclusion in the MS reports of an element that is not legally required. Also, in some cases MS had calculated alternative indicators to those recommended. Since the indicators in the guidelines are only recommended and not required, we feel that it would be preferable if the Commission summaries stated whether balance indicators were calculated rather than stating whether the guidelines were applied.

The Commission summaries vary in length, order of information and detail included. For instance, as we noted last year, in many cases the first sentence of the summary states whether or not the guidelines were followed in the MS report, but this is not true of all summaries. Some summaries begin with a description of the fleet.

The working group understands that the Commission summaries of MS reports must be very short as there is a restriction in length imposed by the Commission's translation service. We understand that the summary template provided last year in the report of SGBRE 09-01 would mean that the summaries would exceed the limit placed by the translation service.

Nevertheless, it would still be useful if all Commission summaries followed a template so that they would contain the same information in the same order, as long as it is included in the Member States' reports. Standardised summaries would make it easier for Council members to compare Member States.

A suggested summary template is given below. Where the information is not contained in the MS reports, the Commission summary could note the absence.

Suggested template for summaries of Member States' annual reports:

1. Note MS conclusions about whether the fleet is in balance with the opportunity. Note whether the balance is improving, staying the same or getting worse. State if MS fails to state a clear conclusion on balance. If MS makes no conclusion, the Commission could state its own opinion.
2. Say whether, and to what extent, the balance indicators (technical, biological, economic, social) were calculated. If space allows, mention key indicators.
3. Describe size of the fleet (main segments, no. of vessels, total GT, total kW)
4. Highlight key points of additions to and removals from the fleet during the year, expressed in number of vessels, giving fleet segment or some indication of vessel capacity.

5. Mention major change in state of stocks and/or in fishing opportunity during the year
6. Outline of effort reduction schemes, if any, during the year
7. Mention statement of compliance with entry / exit scheme during the year
8. Mention plans for improvements in fleet management system

We believe that the summaries could be drafted carefully to include only the above information with little use of extraneous words, such that the overall summary of MS reports could fit within the 25,000 character limit imposed by the Commission's translation service. An example is provided below:

Example summary of Belgium's report following the proposed template:

> The report did not reach a conclusion on balance. The Commission judges that fleet capacity is somewhat in excess of the fishing opportunity. The balance indicators are estimated. The technical indicator suggests larger vessels are fully utilised but smaller vessels are c.60% utilised. There were 89 vessels and totals of 16,048 GT and 52,590kW in the fleet register on 31/12/09. Most activity and landings were by beam trawlers. There was a net reduction of 11 vessels during the year. Effort reduction was achieved by vessel removal. Fleet GT and kW were below reference levels. No improvements in the fleet management system are planned.

This example summary is 651 characters (including spaces). If all MS summaries were of this or similar length, the Commission report could fit within the limit of 25,000 characters.

In the final paragraph of section 2 of the summary document, once again the Commission mentions that of the 12 Member State reports which included the balance indicators, "a number" of them indicated "a considerable degree of overcapacity". This comment is not helpful because it does not say how many of the 12 MS did this, but seems to suggest that it is a substantial proportion of the 12 MS. We made this same comment in last year's SGBRE 09-01 report. We would again encourage the Commission actually to specify the number, or at least the proportion, of MS whose reports suggested fleet over capacity.

Comments on summary of Belgium's report

- The summary correctly states that the guidelines were applied only to the beam trawler segment and that during 2009 Belgium had a fleet adaptation scheme for the large fleet segment (above 221 kW).
- The summary is correct in stating that according to the Belgian report for the 24-40m beam trawl fleet segment the low utilisation of quotas for sole and plaice in area VIIa was mainly caused by the increasing exchange of quotas.

Comments on summary of Bulgaria's report

- The summary is relevant but it is concentrated on fleet description.
- The summary omits that the Bulgarian report does evaluate the current status of balance between capacity and fishing opportunities.

- The summary is correct in stating that the guidelines were applied to the main Bulgarian fleet.

Comments on summary of Cyprus's report

- There was no summary of the report from Cyprus because it had not been submitted in time.

Comments on summary of Germany's report

- The Commission's summary gives a good summary but omits some deficiencies in the Member State report.
- The summary states that the German report includes an evaluation of the current status regarding the balance between capacity and fishing opportunities by segment.
- The summary is correct in stating that the guidelines on balance indicators were not applied. The summary mentions that a qualitative version of the biological approach examined the balance between fishing capacity and fishing opportunities by fleet segment.
- Additional information on the link of vessels with fisheries is now included by the Member States report but is absent from the summary.
- Statement of effort reduction schemes and the impact on fishing capacity were not quantified in the report but this is not highlighted in the summary.

Comments on summary of Denmark's report

- The Commission's summary mentions the description of the fleet but omits some important detail.
- The summary correctly states that the Danish report includes an assessment of the current status of balance between capacity and fishing opportunities.
- The summary correctly states that the guidelines were applied in the Danish report.

Comments on summary of Estonia's report

- The Commission's summary report accurately reflects the key details contained in the Member State report but omits some deficiencies in the reporting on the management system and compliance.
- The summary omits that the Estonian report does include an evaluation of balance between capacity and fishing opportunities.
- The summary is correct in stating that the guidelines were only partly applied in the Estonian report.
- The summary notes that there appears to be distinct over capacity in one segment.

Comments on summary of Finland's report

- The summary is quite complete and accurate.
- The summary correctly states that the guidelines were not applied completely in the Finnish report.
- The summary omits that the Finish report does not include an analysis of the fleet management system and strengths and weaknesses of the management system.

Comments on summary of France's report

- There was no Commission summary of the French report because it had not been submitted in time.

Comments on summary of Greece's report

- The summary accurately reflects the Greek report.
- The summary correctly states that the Greek report includes evaluation of the current status as regards the likely balance between capacity and fishing opportunities.
- The summary correctly stated that the Greek report did not apply the guidelines.

Comments on summary of Ireland's report

- The summary reflects what is written in the Irish report and the comments are relevant.
- The summary correctly reflects that there are difficulties in assessing the reduction on effort and that the report did not address many aspects that must be included if the guidelines are followed.
- The summary omits that the Irish report fails to mention weaknesses and strengths of the fleet management system, any change in administrative procedures and the level of compliance with fleet policy instruments.
- The summery omits that the analysis of the likely balance between fleet capacity and opportunities is missing.

Comments on summary of Italy's report

- The summary of the Italian report is a good reflection of the Italian report.
- The summary does not mention that the Italian report does not evaluate the current status of balance between capacity and fishing opportunities.
- The summary correctly notes that the guidelines proposed by the Commission were applied except for the biological indicator.

Comments on summary of Latvia's report

- The summary includes the essential information of the Latvia Report.
- The summary focuses on the vessels scrapped with financial support and the plan in the Baltic Sea fleet, which is a very important aspect to mention in the Latvia report.
- The summary correctly notes that Latvia has applied the guidelines, and that the conclusions of the balance indicators are well reported.

Comments on summary of Lithuania's report

- The summary is a fair reflection of the contents of the Lithuania report. However, it omits some deficiencies in the reporting on the High Seas segment, the management system and compliance.
- The summary correctly states that the Lithuanian report provides an evaluation of balance between capacity and fishing opportunities.
- The summary correctly states that the Lithuanian report applies the guidelines.
- The summary missed information on the general level of compliance with fleet policy instrument.

Comments on summary of Malta's report

- The summary correctly states that the guidelines were correctly applied in the Maltese report but fails to mention that economic and social indicators only exist up to 2008.
- The Commission correctly states that during 2009, 4 fishing vessels stopped their fishing activities through the adjustment of fishing effort aid scheme. But in a previous sentence the Commission inaccurately states that no fishing effort adjustment scheme was applied to the Maltese fleet.

Comments on summary of the Netherlands' report

- The summary is accurate and captures some of the key aspects of the Dutch report but omits any mention of balance between fishing capacity and opportunity.
- The summary correctly describes a slight contraction in the Dutch fleet capacity and fishing effort.
- The summary accurately reports that the guidelines were applied for the beam trawl segment and pelagic freezer trawlers in the Dutch report.
- No mention was made of entry and exit schemes or strengths, weaknesses of the fleet management system and changes to administrative procedures in the summary.

Comments on summary of Poland's report

- The Commission's summary correctly reflects the Polish report.
- The summary correctly reflects that the Polish report does not assess directly the balance between fishing capacity and fishing opportunities.
- The summary correctly states that the guidelines are not entirely applied in the Poland report.
- The summary omits that Poland did not list strengths and weaknesses of the fleet management system and indicate plans to improve.

Comments on summary of Portugal's report

- The Commission summary inaccurately states that the Portuguese report did not apply the guidelines on completing the balance indicators. In fact the Portuguese report does include the balance indicators.
- Otherwise, in general the Commission's summary reflects the Portuguese report.
- The summary provides a description of the Portuguese fleet management and effort reduction changes but it inaccurately mentions the Greenland halibut recovery plan when it should refer to the Tuna recovery plan.

Comments on summary of Romania's report

- The summary provides an accurate description of the Romanian report and correctly states that the guidelines are not present but that some mention is made of the fleet operating in a sustainable manner.
- However the summary fails to say on what basis the Romanian report reaches this conclusion.
- The summary accurately describes the total size of the fleet and also additions and removals from the fleet in 2009.

- The summary makes no mention of the strengths and weaknesses of the fleet management system although they were mentioned in the Romanian report.

Comments on the Summary of Slovenia's report

- The summary accurately states that the guidelines have been partly applied.
- The summary omits that the Slovenian report does not include an assessment of the current status of balance between capacity and fishing opportunities.
- The summary correctly states that the Slovenian fleet has structural problems and that scrapping schemes are envisaged under the 2007-2013 EFF programme.
- The summary correctly notes that Slovenia applied the guidelines as technical, biological, economic and social indicators were reported.

Comments on the Summary of Spain's report

- The summary reflects fairly well what is included in the Spanish report.
- The summary correctly states that the guidelines were not applied.
- The summary correctly states that there is no information provided on the effect of fishing effort limitation on the capacity of fleets to which they apply.
- The summary omits that the report did not refer to the links between fisheries and development of each fleet.
- The summary omits that the report did not describe the strengths and weaknesses of the management system

Comments on the Summary of Sweden's report

- The summary in general gives a fair view of the Swedish report.
- The summary correctly states that the guidelines were applied but does not mention that they were only calculated for 2008.
- The summary correctly states that scrapping aid has been given priority in Sweden's operational programme.
- The summary correctly states transferable fishing rights have been introduced, although it could be more clear that they were introduced in 2009.
- The summary does not mention that the description of the Swedish fleet segments is only indirectly described in tables in the report in the section "balance between fishing capacity and fishing opportunities"
- The summary does not mention that the link between fleets and fisheries is absent.

Comments on the Summary of the United Kingdom's report

- The summary includes most main elements of the UK report.
- The summary correctly states that the UK reports the capacity of the UK fleet, as a whole, exceeds its level of opportunities however fails to mention that the UK states that many fleet segments are in balance with their opportunity.
- The summary correctly states that the UK report did not apply the guidelines but does acknowledge that other technical, biological and socio-economic information was provided.
- The summary points out relevant reductions in capacity achieved by the UK government.

9. ToR 2. Updated Guidelines for completing the balance indicators

Item 2 in the Terms of Reference asked the working group to comment on and where appropriate suggest new Guidelines to completing the balance indicators.

The Commission provided draft updated Guidelines to start with and, via Marco Traa who attended on the first day, made some specific suggestions that it asked SGBRE experts to consider.

There was not enough time during the working group meeting to prepare and review in plenary new draft guidelines. Members of the working group split into four groups to consider each category of indicator and its guidelines. There was not enough time for their work to be reviewed in plenary; therefore, although the text was reviewed by experts remotely after the working group, the outputs presented in this section of the report should be considered the result of preliminary discussion among a limited number of experts. The work presented here does not constitute a firmly recommended alternative text for the guidelines but rather is a contribution for the Commission to take into consideration.

SGBRE 10-01 does strongly recommend however that the Guidelines are updated by the Commission before MS annual reports due on 30th April 2011 are prepared, because the current Guidelines contain some important weaknesses.

9.1. Guidelines for Technical indicators

Technical indicator as it stands: Ratio between the average effort per vessel and the maximum effort per vessel in a fleet segment, where effort is measured in time at sea of the vessels.

Suggestions and input from the Commission regarding updated guidelines:

- The Commission has a preference to use kW-days and/or GT-days (instead of days at sea, as recommended by STECF)),
- The Commission suggests that we should not use the maximum days at sea spent by a vessel in a fleet segment if that fishery is subject to effort limitation.
- Rather each MS should select what they think would be the maximum calendar days at sea per year if the fishery were not restricted by quota or days at sea limits, and for each fleet segment the MS should say why they have selected each level of maximum days. It would be acceptable to the Commission that MS should take account of weather and seasonal fisheries.
- Use of this theoretical maximum of days per year would give insight into the true degree of underutilisation of vessels and into the order of overcapitalisation present.
- Fleet capacity depends on the catch rate and capability to find fish

- Please consider the inclusion of the inactive vessels in the calculations. Inactive vessels constitute un-used capacity.

Proposed updated text for Guidelines for Technical Indicator:

Description and data sourcing

Technical Indicator 1.
The ratio between the average effort per vessel in a fleet segment and the observed maximum effort actually expended by a vessel in the segment (in kW-days or GT-days) in the reference year.

Technical Indicator 2.
The ratio between the average number of days at sea per vessel in a fleet segment and the theoretical maximum number of days at sea if no effort regime was applied (e.g. 365 days or less, depending on social, natural and technical conditions. This should be an expert judgement made by each Member State).

Ideally these indicators should be presented for a period of several years. This will indicate whether the ratios are stable over time.

The calculation should be done in kW-days or GT-days in order to take account of different vessel characteristics, e.g. the fact that vessels with larger engines using towed gear might tend to catch more than those with smaller engines. For passive gears, GT-days should be preferred to kW-days.

Data (days at sea per vessel, GT and kW) is available at Member State level from data collection according to the requirements of the DCR and DCF.

A table showing the proportion of inactive vessels of the total fleet should be provided. This could, for example, be done by different length classes.

Application and interpretation

All active vessels in the fleet should be taken into account when calculating this indicator. An active vessel is one which is licensed to fish and has recorded at least one day at sea during the reference year. An inactive vessel is one which may or may not be licensed to fish during the reference year, but which has recorded no time at sea and no landings during the reference year.

Inactive vessels (those which have not fished commercially during the reference year) constitute an unused capacity and as such they reduce the overall capacity utilisation rate of the total fleet. A table showing the number and proportion of inactive vessels in the total fleet should be provided. This could be done by different length classes for example. Inactive means any vessel which has not operated as a commercial fishing vessel at all during the reference year.

These indicators are easy to calculate and are the only one that refers to the potential capacity as a reference point. It roughly shows by how much fleet capacity

could be reduced without reducing overall fleet output (landings). The technical indicators can therefore be considered the baseline indicators for each fleet segment.

The margin between the calculated value and 1 indicates the technical overcapacity. For a possible "traffic light system", an indicator of more than 0.9 will only be observed in fleet segments showing a largely homogeneous level of activity, which could be classed as a green light in practice. Values of, for example (depending on fleet homogeneity), below 0.7 could be considered as showing a distinct structural overcapacity (red light).

Comments regarding proposed changes to the Commission suggested updated guidelines for the technical indicators:

The commission suggests that MS should include the maximum number of days (GT or KW-days) for ANY year in the recent past. This is not necessarily appropriate, since bad weather conditions or change in the fleet from year to year restricts the vessels' maximum sea days from year to year. It is therefore suggested that MS use the maximum number of days per vessel for each year in question.

SGBRE acknowledges that the achieved maximum number of days at sea within a fleet segment, calculated for each year in question as described above, could in reality have been limited by effort restrictions. Furthermore, there could be economic reasons (for example the fuel crisis) that affect the maximum observed number of days at sea per vessel for certain years, so that this number does not reflect the true technical capacity of the fleet. Therefore, it is recommended that MS calculate an additional ratio, based on the theoretical maximum number of days at sea.

The theoretical maximum number of days is 365 days minus the days that the national expert judges the fleet will not use for social or technical reasons. These could be weekends, holidays, days to repair and maintain the vessel, days with weather conditions that make it unprofitable or not possible to fish safely.

The commission suggests that inactive vessels should be included in the data for calculation of the technical indicators. This would create problems with fleet segmentation since the segmentation is based on the effort used for the different gear types, and if there is no effort, then the vessel cannot accurately be placed in any fleet segment. Therefore, it is recommended not to include inactive vessels in the calculation of technical indicators. However, inactive vessels do constitute an unused capacity and it is therefore recommended that the percentage of inactive vessels in proportion to the total fleet should be provided, for example for each length category.

The definitions of active and inactive vessels should be made more clear. Active vessels are licensed fishing vessels that have declared any landings from commercial fishing activity during the reference year. Inactive vessels are licensed fishing vessels that have not declared any days at sea or any landings during the reference year.

9.2. Guidelines for Biological indicators

Out of 21 MS only six attempted the calculation of the first (preferred) biological indicator, $F_{estimated}/F_{target}$. Several MS amongst those that did not calculate the indicator acknowledged that it was difficult to understand the Guidelines. Some MS also commented that the $F_{estimated}/F_{target}$ indicator is mostly based on ICES area and does not take into consideration management measures other than quotas which are present in other areas such as the Mediterranean.

The guidelines could be adjusted according to the proposal provided, in order to simplify the text describing how to calculate the indicator and so that the indicator can be calculated for quota stocks and for non-quota stocks. The attached excel file could be distributed to help MS to calculate the $F_{estimated}/F_{target}$ indicator. The problem is not the indicator itself, since that is useful and probably the best choice for all the MS, but the guidelines on how to estimate it, which suggest that quota information is required to calculate the indicator. This may create misinterpretations and may discourage Mediterranean MS to use it.

Due to time constraints, SGBRE 10-01 biologists were only able to offer suggested updated text for the Guidelines relating to the first biological indicator.

A suggested calculation template is provided in Table 9.1 on page 59.

For the second indicator, ratio between current catch rate and stock biomass, SGBRE biologists suggest that, in cases where quotas do not exist, the rate can still be estimated using data on catch and biomass derived from the DCR of each MS

Proposed updated text for Guidelines for first Biological Indicator:

Ratio between $F_{estimated}$ and F_{target} (F/Ft)

Description and data sourcing
The calculation operates by establishing F/Ft ratios per species for which a stock assessment has been performed. The ratios are then weighted according to the catch composition (weight) and then added together to produce an overall indicator for the respective fleet segment.

The following steps should be followed and are illustrated in the table provided:

1. First, determine by fleet segment the stocks which have been assessed.

2. For every stock (by fleet segment) extract catch of the fleet, total catch of stock for all countries and total $F_{(estimated)}$ and target F (e,g, F_{MSY}, $F_{0.1}$, F_{pa}), for the exploited stocks.

3. Attribute the F to the fleet segment of the MS by multiplying $F_{(estimated)}$ of the stock by (catch of the fleet divided by total catch of he stock).

4. The proportion of the MS quota (when this is available) or the proportion MS catch on total catch of the stock should be recorded in the table.

5. Split the target F according to MS by multiplying the proportion of quota or catches by the target F of the stock.

6. The F/Ft ratio can then be calculated by dividing the $F_{(estimated)}$ of the MS fleet segment by the target F of the MS.

7. Then the proportion (p_1) of the species on the total catch (all species, in weight) for the respective MS fleet segment should be recorded in the table.

8. Then the proportion (p_2) of assessed species from the total catch composition (all species in weight) should be recorded in the table.

9. The weighted F/Ft ratio is then calculated by using the equation $(F/Ft)*(p_1/p_2)$

10. Finally the sum of the weighted F/Ft for the fleet segment is obtained by adding all the ratios for the different stocks exploited by the fleet segment.

It is important to consider that the European Commission requests that Community fisheries management should be based on Maximum Sustainable Yield (MSY). This is a long-term management system designed to ensure the economic, biological and social sustainable exploitation of marine living resources. In this respect it is necessary to have a consistent F_{target} as a biological reference point for the estimation of the first biological indicator ($F_{estimated}/F_{target}$). Today, in some areas F_{pa} is used while in others F_{MSY} or its proxy $F_{0.1}$. The use of one or other reference point (e.g F_{MSY} or F_{pa}) may produce a quite different interpretation of the biological balance indicator which may lead to different or misleading evaluations. The group suggests following this order to choose F target: first choose F_{MSY} if it is available, then its proxy $F_{0.1}$ and finally, if none of them are available, F_{pa} should be used.

Data requirements are:
A stock subject to a full stock assessment, i.e. where current age or length averaged fishing mortality has been determined; a target value for that mortality must be available; and data on the stock should include either total allowable catch or national quotas or share of MS catches. This is important in order to evaluate both quota and non-quota species, which for example in the Mediterranean non-quota stocks are assessed regularly. The indicator is based on DCF data and stock assessment reports (e.g. ICES, ICCAT, GFCM).

Application and interpretation
Of the biological indicators considered the F/Ft ratio is regarded as the best indicator to use. A particular advantage is that the ratio accommodates differences between species in terms of sustainable exploitation rates, i.e. the optimal exploitation rate for each species has already been determined and is expressed as F_{target}. The F/F_t ratio is dimensionless and facilitates comparisons or combinations across species, thereby producing ratios that are fleet-specific (with all assumptions made) rather than showing thresholds concerning catches of individual species. The fleet-specific nature of overall F/ F_t values, however, could lead to hiding disproportionate pressure by a fleet segment on one particular species, which leads to the recommendation that interpretation of this biological indicator should also cover individual species values (step 6 above).The overall values for individual fleet segments within MS give

an indication of the importance of fleet segments to the overall national catch, but also, if the overall value for a fleet segment is greater than one, it indicates whether the individual fleet segment is catching more fish than would be expected under desirable fishing mortality rates from the entire national fleet ("red light" in a traffic light system). In the case that the calculation has been made using fleet-segment quotas or catches a value greater than one might be given yellow colour, as the desirable exploitation rate is already fleet-specific.

If several fleet segments of a MS operate on the same species, establishing an overall ratio for the species across fleets will show whether national catches are consistent with long term stock management goals. Values above 1 indicate at least "yellow" traffic light.

An obvious limitation of this indicator is that not all species are subject to stock assessments. For this reason it is considered important to also show the proportion of the fleet segment catch that is accounted for by the species involved in calculating the indicator. Otherwise a species used to generate the indicator that constitutes a very low proportion of the total catch of a fleet segment could generate a high overall indicator value for this fleet segment when in fact absolute levels of the catch are small.

ORIGINAL

row		Sp 1	Sp 2	Sp 3	all other species and total
1	Catch in Fleet segment (100 tons)	50	35	20	unknown
2	Total EU catch (100 tons)	65	50	80	unknown
3	Total EU catch according to ICES stock assessment (100 tons)	80	70	100	unknown
4	Current F (Stock assessment)	0.7	1.2	0.9	unknown
5	Current F applied to fleet segment (row 4 times (row 1 divided by row 3))	0.4	0.6	0.18	unknown
6	Target F (stock assessment)	0.5	0.6	0.3	unknown
7	Quota of the Member State	90%	50%	50%	unknown
8	Target F split according to Member State quota (row 6 times 7)	0.45	0.3	0.15	unknown
9	F/Ft for species in the fleet segment (row 5 divided by row 8)	0.97	2	1.2	unknown
10	Catch composition of fleet segment	37% (of 78% assessed catch)	26% (of 78% assessed catch)	15% (of 78% assessed catch)	22% (of 100%)
11	F/Ft weighted by catch composition of assessed species (row 9 times (row 10 divided by row 13))or species in the fleet segment (row 5 divided by row 8)	0.46	0.67	0.23	unknown
12	Sum of all weighted F/Ft for the fleet segment	1.36	1.36	1.36	unknown
13	Percentage of fleet segment catch used for F/Ft calculation= significance of the value in row 12				78%

PROPOSAL FOR MEMBER STATES — **in yellow the cells to be filled by Member States**

row		Sp 1	Sp 2	Sp 3	all other species and total
1	Catch in Fleet segment (100 tons)	50	35	20	unknown
2	Total catch of the stock by all countries (100 tons)	80	70	100	unknown
3	Current F (Stock assessment)	0.7	1.2	0.9	unknown
4	Current F applied to fleet segment (row 3 times (row 1 divided by row 2))	0.4	0.6	0.2	unknown
5	Target F (stock assessment)	0.5	0.6	0.3	unknown
6	Proportion of Member State quota or catch	90%	50%	50%	unknown
7	Target F split according to Member State quota (row 5 times 6)	0.45	0.3	0.15	unknown
8	F/Ft for species in the fleet segment (row 4 divided by row 7)	0.97	2.00	1.20	unknown
9	Proportion of the catch composition in weight of fleet segment	37%	26%	15%	22% (of 100%)
10	**F/Ft weighted by catch composition of assessed species (row 8 times (row 9 divided by row 12))**	**0.46**	**0.67**	**0.23**	unknown
11	Sum of all weighted F/Ft for the fleet segment	1.36	1.36	1.36	unknown
12	Percentage of fleet segment catch used for F/Ft calculation (row 10)				78%

Table 9.1 Original and suggested new calculation template for biological indicator no.1

9.3. Guidelines for Economic indicators

SGBRE economists' comments on issues related to Commission comments on revised guidelines, in particular the second economic indicator (1) and proposed new economic indicator (2)

1) "The Commission suggests that the formula for CR/BER is incorrect. They believe the BER should = total costs".

Initial impressions by SGBRE economists were that the amendments proposed by the Commission could potentially be an over simplification of the calculation. Insufficient time was available in SGBRE 10-01 to fully assess the Commission's proposed change to the indicator formula and evaluate the appropriateness of the original calculations (included in original version of the Guidelines). Instead, SGBRE economists followed up on this issue after the working group.

SGBRE economists agree that the formulas for the CR / BER indicator are correct, however the existing guidelines for this indicator are confusing and should be clarified. The group concluded that there is no need to change the formulas, however the revised guidelines should be more explicit in defining the equations for calculating cash flow, fixed and variable costs, using DCF definitions.

The Current Revenues/BER ratio is simply an indicator, which must interpreted as such. A ratio lower than one indicates a state of financial difficulty while if it is greater than one the fishery is profitable in the short term. Strictly speaking, it is not an indicator of overcapacity, so this indicator must be correctly interpreted. In fact, in the BER ratio FC/(1-(VC/R)) it is assumed that the ratio Variable costs/ Revenues is constant. We know that it is not true for the fishery sector where Variable costs are also affected by the effort. But when economists make comments about this ratio, we implicitly consider this kind of relation. For example, between 2007 and 2008 for most Italian fleet segments the BER ratio worsened considerably. As was explained in the conclusions of Italian report, this was mainly due to a reduction in the fishing days as a consequence of the fuel crises.

SGBRE 10-01 suggests that the Commission takes the opportunity to get further advice on this issue as there was still some difference of opinion among economists in e-mail exchanges following the meeting.

Proposed updated text for Guidelines for CR/BER indicator:

Ratio between current revenue and break-even revenue

Description and data sourcing
The current revenue is the total income of the fleet segment. The break even revenue (BER) is the amount of revenue required to produce a cash flow that covers the fixed costs of the segment, taking into account the margin per unit landings value.

The data used to calculate this indicator is collected by Member States under the requirements of the Data Collection Framework (DCF).

The formula for calculating the BER is as follows:

BER = Fixed Costs / (1- [Variable costs / Current Revenue])

Where:

Cash flow = Income / Variable costs

Variable costs = Crew costs + Energy costs + Repair and Maintenance costs + Other variable costs (as defined under DCF)

Fixed costs = Fixed costs (as defined under DCF)

Note that Capital costs are currently excluded from the calculation based on STECF recommendations. See STECF plenary comments in SGECA-SGRST 08-01: Report of the Working Group on the Balance between Fishing Capacity and Resources (ISBN 978-92-79-10480-0)

The ratio is calculated by dividing the current revenue by the BER

i.e. Ratio = Current Revenue / BER

Application and interpretation
The ratio between the current revenue and the break-even revenue shows, in a simplified calculation, the short term profitability of the fleet segment. If the ratio is greater than 1, then enough cash flow is generated to cover fixed costs, indicating that the segment is economically viable in the short term. Conversely, if the ratio is less than 1, insufficient cash flow is generated to cover fixed costs, indicating that the segment is economically unviable in the short term.

2) Suggestion from the Commission to present the ratio between the total operational costs and the total value of the landings per fleet segment. There is economic overcapacity if the total costs of a fleet segment exceed the value of the landings.

SGBRE economists understand that this indicator would calculate operating costs as a proportion of the value of landings.

While SGBRE economists agree that this in an indicator of economic performance, it is not necessarily an indicator of economic over- or under- capacity relative to the fishing opportunity. For economic overcapacity to exist there should be evidence of ‘over- capitalisation’ within a particular fleet. This requires information on the returns on the capital employed in the fishery.

Therefore SGBRE economists do not recommend adopting this indicator proposed by the Commission

9.4. Guidelines for social indicators

Social indicators are still not given as much importance in the Commission's draft updated Guidelines as other indicators. Despite the fact that more MS presented social indicators, they are still the least presented indicators. Many MS do not specifically refer to the social indicators, some include them in the wrong category with the economic indicators and very few contribute conclusions or interpretations apart from the definition already included in the Guidelines. It is again recommended that the Guidelines should be more explicit in stating that social indicators should also be reported, as the revised text proposed by the Commission does not seem to be clear enough.

The social indicators illustrate aspects that can be the causes for the lack of balance between capacity and fishing opportunities and they can trace back the effects of this imbalance to the employees and to society. Crew costs per FTE can give useful information on the variability of the personal income of the employees and the specification of the composition of crew costs (crew share, wages, salaries or a combination of them) may describe the dependence of crew members on level of catches. GVA as both an absolute and as a ratio of FTE and the number of vessels can give very useful information helping to identify at a glance distinctive fishing patterns that may be affecting balance between capacity and resources (see below). More complete guidelines regarding these indicators would help emphasise their relevance for the assessment of balance.

SGBRE recommends that examples of calculation of social indicators be included in the Guidelines as recommended in the report of SGBRE 09-01. Example calculations using at least an alternative between crew share and other definition of crew costs are especially important as there are some fleet segments or MS whose fleets do not use crew share as part of the wage. Examples of presentation of GVA indicator should also be included (see suggested examples below).

As opposed to technical indicators, where the inclusion of inactive vessels is required, only active vessels should be considered for the evaluation of fleet coverage in social indicators. This is due to the fact that inactive vessels are not relevant for the calculation of these indicators Inactive vessels have no crew costs, FTE or GVA, or at least the components of GVA applicable to them (depreciation costs and interest costs) are not required to be collected under the DCF. On the other hand, additional data on inactive vessels could help identify inactive vessels that are still a source of costs (depreciation costs and interest costs).

SGBRE suggests the calculation of GVA per FTE and GVA per vessel as complementary social indicators. The comparison between those two complementary indicators brings information about potential overcapacity. This would be the case if, for example, GVA per FTE were higher that GVA per vessel (only one full time equivalent job for two vessels in a segment). There is an example in page 3 of the Swedish report. In this report there are three such cases in which the experts at SGBRE 10-01 considered that this potential overcapacity could be due to fishing rights allocated to vessels, and thus vessels being kept idle for the sake of retaining

such rights which were then actually used by another vessel under the same ownership. After seeking further expertise, three completely different explanations were provided. One of the segments (passive gear <12 m) had a particular fishing pattern consisting of a ship owner using one vessel equipped with one type of gear exclusive to that vessel during one season and then using another vessel with another gear during a different season, due to specific target species and specialised vessels. Another segment (pelagic trawl < 24 m) was composed of vessels targeting a species with high value but an extremely short season of approximately one month. Finally, the third segment (demersal trawl < 12 m) included a group of vessels with a very low level of activity. The suggested complementary indicators thus make the GVA indicator more useful, given additional information from the MS on different situations specific to the segment, as in this example fishing patterns, short seasons and low activity.

This could be used as help to measure the theoretical maximum number of days for a segment considered in the technical indicator. The maximum number of days for the technical indicator could not only conflict with effort restrictions, but also with other fishing patterns unveiled by the comparison between GVA/FTE and GVA/vessel.

Proposed additional text for updated guidelines
SGBRE experts suggest retaining all the existing text in the first version of the Guidelines for the social indicators and adding the following additional text to the existing text:

Average crew share per Full-time equivalent job

Description and data sourcing
The recommended indicator of **Average crew share per Full-time equivalent** should be interpreted to mean average remuneration (crew income) per FTE job. This is because there are remuneration systems other than crew share, such as fixed wages, and there are different ways of calculating crew share - it is not only a straightforward percentage of fishing income for instance. This indicator is showing whether the fishing industry is paying a decent wage to the workers. Average wage or income per full-time equivalent crew job can then be compared to average wages or minimum full-time wage in the MS.

"Total wages divided by number of FTEs (full time equivalent jobs)"

If crew members are supplied by agency, and the vessel business pays the agency, then this indicator becomes difficult to estimate as the vessel owner does not necessarily know the amount received by the crew members. In such cases, the MS will have to devise a reasonable way to estimate and explain their method.

Application and interpretation

Interpretation could also be based on comparing segments (highest and lowest income, range of variability, remarkable differences), identifying trends (evolution of the indicator for each segment), and putting in context with other social and economic indicators at national level (employment, prices, GDP etc.). This interpretation would complement the comparison with reference income levels such as the minimum wage in the economy, the average yearly wage in economic sectors with similar qualification/remuneration levels (industry, agriculture etc. as appropriate) and the general evolution of wages in the MS. The average yearly wage would be the wage a person employed in an industry can earn on a yearly basis.

There are fleet segments in some MS where professional fishermen use their licenses to obtain catches that are not sold in the market, but used for their own consumption instead. Qualitative information on these types of social patterns would help clarify the causes of low capacity use and/ or low employment in some segments.

Comments on the overlap between owners and crew members (especially for small scale fisheries) can also be useful to set the social indicators in context.

Gross value added (GVA)

Description and data sourcing
Using DCF data mostly already employed for the social indicators (GVA, FTE) and other easily available data (number of vessels), the following complementary indicators can be presented.

Gross value added per Full Time Equivalent job (GVA/FTE)

"(Depreciation costs plus interest costs plus crew share plus net profit) divided by number of FTEs". All items are available from data collection according to DCR (see ROI). "Depreciation costs plus interest" constitute the capital costs under DCR nomenclature.

Gross value added per vessel (GVA/no. of vessels)

"(Depreciation costs plus interest costs plus crew share plus net profit) divided by number of vessels". All items are available from data collection according to DCR (see ROI). "Depreciation costs plus interest" constitute the capital costs under DCR nomenclature. Number of vessels should be active vessels.

Application and interpretation
GVA can be interpreted not only as positive/negative value but also as the proportional contribution of the segment to the GVA of the national fleet (the weight of that segment in the national fishing sector). The contribution of the fishing sector to the GVA of the economy can be obtained from the Annual Economic Report.

GVA/FTE and GVA/Vessel put GVA at the scale of the employee and of the vessel, making it easier to interpret whether capital costs, labour costs and the company's profit are covered at company (vessel) level for each segment. The interpretation of GVA/vessel should however be performed against the background of additional information on activity patterns and company structure (exploitation patterns, owner/crew overlap, FTE per vessel). Again, the interpretation of GVA/FTE gives an approximate view of the contribution to the economy per full time employee that should be nuanced by the pattern of employment in the segment.

The comparison between the two relative versions of the indicator (GVA/FTE and GVA/vessel) gives an idea of the number of FTE per vessel in each segment and may be used as a base for commenting on type of fishing pattern (level of activity, seasonality, fishing pattern).

Calculation examples

Average crew share per Full-time equivalent
Case with only crew share:

Values for a calendar year	Fleet segment 1	Fleet segment 2
Crew share (1)	10%	10%
Value of landings	1,000,000	2,000,000
Crew costs	100,000	200,000
FTE	20	20
Average crew cost per FTE	5,000	10,000

1) Crew share is expressed as a percentage of gross revenues

Case with only wages (without crew share):

Values for a calendar year	Fleet segment 1	Fleet segment 2
Wages	100,000	200,000
Crew costs	100,000	200,000
FTE	20	20
Average crew cost per FTE	5,000	10,000

Case with both crew share and wages:

Values for a calendar year	Fleet segment 1	Fleet segment 2
Crew share (1)	5%	5%
Value of landings	1,000,000	2,000,000
Wages (2)	50,000	100,000
Crew costs (3)	100,000	200,000
FTE	20	20
Average crew cost per FTE	5,000	10,000

1) Crew share is expressed as a percentage of gross revenues
2) excluding crew share

3) Crew costs = (Crew share (in %) times value of landings) plus wages

Gross value added (GVA)

Values for a calendar year	Fleet segment 1	Fleet segment 2
Depreciation costs	200,000	200,000
Interest costs	200,000	200,000
Crew share (1)	100,000	200,000
Net profit	200,000	200,000
GVA	700,000	800,000

1) Or crew costs, see calculation of indicator “average crew share per FTE”

Values for a calendar year	Fleet segment 1	Fleet segment 2
Number of vessles (2)	20	10
FTE	20	20
GVA	700,000	800,000
GVA/FTE	35,000	40,000
GVA/number of vessels	35,000	80,000

2) Number of active vessels

10. ToR 3. Assess progress in addressing the problem of data availability for the calculation of balance indictors in MS reports

SGBRE 09-01 reported on issues of data availability that had restricted the ability of MS to calculate the balance indicators.

In general we found that in the 2009 MS reports, only a few MS had made progress addressing data availability issues. Many MS had not reported any issues of data availability although many of these had not presented indicators and we do not know whether data availability may have been the reason.

Biological Indicators
For some MS it is not possible to provide a five year time series of biological indicators (F estimated/ F target, catch per unit effort by fleet segment and species and ratio between catch weight and stock biomass) because this information is not available. For example, in the Black Sea, Sprat (*Sprattus sprattus* (Linnaeus,1758)) and turbot (*Psetta maxima* (Linnaeus,1758)) have been included in the Data Collection Framework of the European Commission only since 2007..

As many stocks do not have assessment, there is no fishing mortality information for these stocks and therefore the MS that exploited these stocks can not provide the $F_{estimated}/F_{target}$ indicator. Some MS share borders with non-EU countries and it might therefore be difficult to get information on the total catches or biomass, since the non-EU countries are not obliged to collect or to share this information. This is particularly relevant for Mediterranean and Black Sea countries. For these species, stock assessment is only possible when the whole area of distribution of the species is included in the analysis.

There is need for regional coordination and standardisation of methods of sampling, processing, analysing and interpreting of data as well as assessing fish stocks and the environmental factors influencing them, in compliance with international regulations. There could be merit in developing an information system to include fisheries statistics, fish stock assessment, multi-disciplinary research, and ecosystem monitoring.

Greece
The Greek National Fisheries Data Collection Programme was not run in 2009, therefore no technical and biological indicators could be calculated. No clear reason for this is stated in the report. This is a worsening of data availability.

Economic indicators – data availability issues
Overall only a few MS had improved any data availability issues that were reported last year.

Cyprus
For the 2008 report, data availability was an issue for this MS. They reported conflicting deadlines between DCR report submission and DCR data submission.

For this reason it was not possible to estimate the indicators. We suggest that Cyprus try to adjust to the deadlines and attempt to produce a complete report. SGBRE 10-01 notes the progress made in this regard.

Germany
This Member State has explained the reasons why data was not available however no progress has been reported in this regard.

Greece
The MS has explained why the data is not available to calculate biological indicator 3, however no progress was reported.

Italy
Italy is invited to provide data with regards to vessels over 40 metres. No other issues with regards to data availability were present.

Lithuania
Data for the years 2005-2007 is not available for the segments pelagic trawlers 24-40 metres and high sea fleet bigger than 40 metres. No explanation was provided.

Latvia
Data was not available for the ROI indicator and no explanation was provided, however the working group notes the progress made in terms of the CR/BER indicator as last year no economic indicators were provided.

Malta
An explanation with regards to data availability problems has been given however no progress in this regard has been reported.

Netherlands
Data for CR/BER is available for 2 years (2007 and 2008) while for ROI only for one year (2008). No reference has been made to data availability as being an issue.

Portugal
Data for the segment which comprises of vessels less than 12 metres is not available. No explanation is given.

Slovenia
Data is not available to calculate the indicator of CR/BER for the segment DFN VL 12-18 metres. An explanation was provided however progress in this case cannot be evaluated as data presented was only for the year 2008.

Social indicators
Half (52%) of MS reported a social indicator. Most MS have not commented on progress in data availability for the social indicators. We have estimated progress in data availability by looking at the evolution of the completeness, coverage and accuracy marks for the social indicators. In this way, two MS improved in one of the

social indicators and five more improved in both the indicators. The remaining 13 MS stayed the same in terms of data quality of the social indicators.

The social indicators are based on data collection under the DCF and the accuracy and reliability of the data collected for the social indicators is questionable. We suggest that the Commission could discuss with MS to further consider how the quality of the data in relation to the social indicators can be improved.

Often MS DCF data is not available until after the reporting period for the annual reports on balance. The Commission should give guidelines and encourage MS to report social indicators for the most recent year (or three year period) that data is available.

In some cases no explanation is given as to why a social indicator has not been reported. MS should reveal why social indicators have not been reported, this may help to resolve any underlying problems and make it possible to report indicators in subsequent years.

Average crew share wage per FTE

Some MS or fleet segments may not pay crew using the crew share system and therefore may be unable to report on this indicator as it is currently defined. As a solution, an alternative measure of salary could potentially be used when vessels do not pay wages using crew share. Some MS have already used wage costs instead of crew share. However, when this option is selected, explanations on the concept of wage used should be provided.

In addition, FTE is also difficult to estimate accurately as data on hours worked are difficult to collect and interpret. This has been elaborated in an EU report on FTEs in the catching sector and in reality, this concept is often a case of considering whether work as a crew member is the principle or only employment of the crew, rather than any reference to number of hours worked.

Gross Value Added

Calculation of GVA requires estimation of crew share, interest and depreciation all of which are problematic to assess and therefore may not be available. Again, other measures of wage costs could be used. Data is based on data collected under the DCF. When more than one data source is employed, it should be detailed on the report so that the accuracy and comparability of the indicators can be evaluated.

11. ToR 4. Assess and comment on appropriateness of indicators used by MS for small scale coastal fleets and fisheries

It has been acknowledged in previous reports that some of the indicators of balance are not helpful and potentially misleading when applied to small scale coastal fleets and fisheries, particularly fleet segments in which vessels use passive gear.

MS were invited to consider other indicators of balance between capacity and opportunity for these types of fisheries, however we did not observe any MS which developed and presented a new indicator appropriate for small scale fleets.

Biological indicators

All three biological indicators can be used for small scale coastal fleets and fisheries. MS may have difficulties in computing the first (F/Ft) and second (ratio between current catch weight and stock biomass) biological indicators due to the absence of necessary data. The third biological indicator (CPUE) can be computed for the main fish species, because all the necessary data (catches and effort) should be available from MS DCF.

Economic indicators

No economic indicators specifically for small scale coastal fleets were presented.

Social indicators

The social indicators seem to be appropriate for small scale coastal fisheries as some MS have succeeded in interpreting them in a useful way for both small scale and large scale fisheries.

To give some examples, the crew cost indicator (S1) seems to distinguish between large and small scale fisheries as for example in the Danish report. Despite the doubts on the comparability between sectors, with small scale fisheries showing problems of overlapping between owner and crew members, in the Italian report the social indicators have been useful to observe how changes in profitability across time are transmitted to the crew.

The comparison of the two additional social indicators presented by Sweden (GVA per FTE and GVA per vessel) could be useful to observe different wage distribution patterns between small scale fisheries and large vessel segments. It could also be used to observe underutilisation or overcapitalisation of vessels in small scale fisheries, in cases were less than one FTE is allocated to a vessel.

The fleet coverage criterion for the evaluation of the quality of social indicators does not seem to be the most useful. Fleet coverage based on percentage of GT gives more weight to large vessels, which normally are less relevant for employment. It could be the case that a Member State with many large vessels was awarded high marks for fleet coverage while the indicator of crew cost per FTE was reflecting only a small proportion of the fishermen employed.

12. References

JRC Publication: *Balance between fishing capacity and resources (part ii)* (SGECA/SGRST-08-01) joint subgroup on economic affairs (SGECA) and on stock reviews (SGRST). Prepared for the Scientific, Technical and Economic Committee for Fisheries (STECF). April 2008.

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Council regulation (EC) No 2371/2002 of 20 December 2002 *on the conservation and sustainable exploitation of fisheries resources under the Common Fisheries Policy*

Commission regulation (EC) 1438/2003 of 12 August 2003: *Laying down implementing rules on the Community Fleet Policy as defined in Chapter III of Council Regulation (EC) No 2371/2002*

Report of SGBRE 09-01

ANNEX II DECLARATIONS OF EXPERTS

Declarations of invited experts are published on the STECF web site on https://stecf.jrc.ec.europa.eu/home together with the final report.

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Abstract

SGBRE-10-01 meeting was held on 13-17 September 2010 in Edinburgh. STECF reviewed the report during its Plenary meeting on 8-12 November in Brussels.

The mission of the JRC is to provide customer-driven scientific and technical support for the conception, development, implementation and monitoring of EU policies. As a service of the European Commission, the JRC functions as a reference centre of science and technology for the Union. Close to the policy-making process, it serves the common interest of the Member States, while being independent of special interests, whether private or national.

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